RV BUSINESS

C8950-2

NOVEMBER 5, 1990

7 Rental Firms Predict Solid Growth Ahead

7 Economist Says Industry Will Weather Slump

7 Sierra Unveils New Class B

8 HRC Closes Aviator Van

9 FRVTA Names Executive Director

9 RVIA Asked To Lobby on U.S. Deficit

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10 Automakers See Sales Drop For Conversions

11 Starcraft Trims Plants, Staff

11 Champion Motor Coach Gets New President

12 Excel to Buy Johnson Controls' Door Systems

13 ARA Automotive Group Closes

DODGER SHOW: The L.A. RV Show at Dodger Stadium in Los Angeles, Calif., the oldest RV event in the United States, will feature exhibits by more than 70 manufacturers and 92 suppliers. See page 22.

Motorhome Chassis to Get Higher '91 Prices, Value

Motorhome-chassis suppliers generally took only moderate price hikes for 1991, but many RV manufacturers still believe Detroit chassis makers could have shown more restraint, particularly in pricing their Class C units.

For example, Ford Motor Co., Dearborn, Mich., whose E-350 chassis is the major Class C base, bumped the suggested price of its E-350 RV cutaway with a 138-inch wheelbase and dual rear wheels by $605 to $15,545, up from $14,940 last year, according to Ford's light-truck pricing official, although at the wholesale level, Ford is still giving the same $800 off-invoice discount on this chassis. Going into 1991, Ford has about 80%-85% of the Class C chassis market.

Meanwhile, the price of Ford's F-Super Duty motorhome chassis, used with Class A's, dropped to $15,358 for 1991, down from $15,843. However, Ford did away with a $1,000 invoice credit, or discount, at the wholesale price level, so that there is an overall $515 increase on the chassis.

And Ford's price on the E-350 RV stripped chassis with the 158-inch wheelbase and dual rear wheels, used for small Class A's, also has dropped to $13,117 for 1991 from $13,356 last year. Ford also added about $288 worth of equipment to the chassis, bringing the overall price reduction to $527. However, at the wholesale level, Ford dropped the $800 invoice discount it had been offering, resulting in a net increase of about $273 on the small Class A chassis.

Those figures – and similar pricing decisions by General Motors (GM) Corp. – indicate that 'the prices of Class A rail and Class C chopped-van chassis from Detroit have begun competing with each other. With the price of Class A's paralleling those of Class C's, manufacturers are re-assessing their products and putting more motorhomes on Class A rails, which have greater weight capacities.

RV manufacturers are ques-

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Budget Plan Gets Industry Scrutiny

Although the deficit-cutting proposals hammered out during eleventh-hour wrangling over a budget accord appeared to contain few negatives for the RV industry, industry observers were willing to express only "cautious optimism" over revenue-and-spending measures as *RV Business* went to press on Oct. 17. Most characterized the budget confrontation as just one battle in a war that seems likely to continue for some time, as the president and lawmakers attempt to reverse the rising federal deficit.

At least two aspects of potential concern for the industry appeared likely to survive in any deficit-reduction package eventually crafted: a hike in the federal gasoline tax and new excise taxes on luxury goods, including luxury cars, furs, jewelry, boats and private airplanes. Recreational vehicles, however, had not been included in luxury-tax proposals.

Bob Strawn, RVDA executive

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COVER PHOTO COURTESY OF L.A.
VISITORS & CONVENTION BUREAU

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Interviews with top salesmen at successful dealerships around the nation provide some strategies for coping with today's tough market and often-elusive buyers.

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DAB PERSPECTIVE

INDUSTRY DOWN, BUT NOT OUT

GAYLORD MAXWELL

The August report based on sales reports from our Dealer Advisory Board (DAB) showed conclusively that the Persian Gulf crisis had affected RV sales. Although the report had many negative factors, it included a very positive aspect in that the downtrend was as slight as it was. The RV market had not collapsed as it did in the two previous oil crises. However, it could be that the worst is not over, and the smart dealer will be prepared for the worst.

August of this year showed our DAB down 16% in total dollars taken in; two-thirds of the members were down in dollar-sales volume.

Unit sales were off in both new and used. Four of the five RV types were down in sales of both new and used units.

Grosses were reported as generally fair to good, but bottom lines got poor to good marks. Higher selling costs hurt. One member reported his first August loss in over three decades of business. While used sales were off in number of units, those that were sold brought good grosses.

Inventories (both new and used) tended to be higher than normal. Traffic was definitely off, and new buyers were scarce.

As one of our members predicted, it looks like a long, hard winter ahead.

Motorhomes

Sales of new motorhomes were off for the month, as they had been all year. Some dealers reported a pickup in Class C's. Eight DAB members reported that new-unit sales were off; seven said they were in the plus column. Used sales were equally sluggish. Grosses were generally rated good on both new and used.

The year-to-date picture stayed about the same. Both new and used units were down in terms of total sales, and about two-thirds of our dealer members were down individually.

Used sales were off . . . but those that were sold brought good grosses.

With the price of gasoline high and climbing, and the possibility of a shortage, it would be illogical to believe that business will continue "as is." That sales of motorhomes will be down is certain; only the degree of drop is in doubt.

Travel Trailers

The upward trend of new trailer sales was finally broken in August. The drop was minor, but it is probably significant that there was a decline at all after so many "up" months.

New-unit sales were off only 3%, but used merchandise really felt the pinch. Eight DAB members were down in new units, while an equal number were up. However, 12 were down in used, and only four were up. One would have to conclude that first-time buyers were not as active as they were last year. Grosses were reported as generally good.

The year-to-date picture for this category remained upbeat in both new and used units. Fifteen members were up, with only three down.

Detroit already has reported a renewed frenzy for smaller cars – a fact that suggests that the recent upswing in big-car (tow-rig size) sales will decline. That factor and the downturn in used-unit sales rather dims the picture for the future.

Truck Campers

New-unit sales were off by only three units, but they were down. The demand for used obviously hit bottom. Of our three strong camper dealers, two were down, and one was up (all by only a unit or two). Grosses were rated as fair to good.

Year-to-date figures were similar to those for August – down slightly.

Folding Camping Trailers

Although the numbers weren't large,

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE
MOTORHOMES	153	173	−12	1,146	1,386	−17	164	188	− 13	1,249	1,376	− 9
TRAVEL TRAILERS	104	107	− 3	998	872	+14	104	131	− 21	863	849	+ 2
TRUCK CAMPERS	27	30	−10	244	271	−10	10	26	−160	156	126	+24
CAMPING TRAILERS	66	56	+18	779	755	+ 3	38	39	− 3	250	276	− 9
FIFTH-WHEELS	45	55	−18	406	357	+14	29	35	− 17	224	219	+ 2

	FOR MONTH			YEAR-TO-DATE		
	AUG. 1990	AUG. 1989	% CHANGE	1990	1989	% CHANGE
SALES VOLUME	$15,114,000	$18,013,000	−16	$120,116,000	$130,049,000	−8
TOTAL UNIT SALES	740	840	−12	6,315	6,487	−3
NEW-UNIT SALES	395	421	− 6	3,573	3,641	−2
USED-UNIT SALES	345	419	−18	2,742	2,846	−4

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McMann,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindland,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Delores McNally,** Portland, Ore.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

monthly new-unit sales were well ahead of last year in August. Used sales were off by one unit. Grosses were generally rated good to fair.

This category remained slightly ahead of last year in year-to-date sales of new units. Most of the larger dealerships stayed very close to last year's numbers.

The season was over for this year by August. As with all other types, who knows what '91 will bring?

Fifth-wheels

The drop in new-unit sales was greater during August than it had been for any month in recent memory. Although the numbers weren't large, most fiver dealers were behind last year by a unit or two.

Year-to-date, they were about evenly divided between those who were up and those who declined. However, all of the larger dealerships were up. Grosses were generally reported as good or excellent for the month.

Older people generally are the fifth-wheel buyers; older people tend to be conservative. It will be interesting to see how they weigh the additional fuel costs with their desire to have comfortable living quarters in the Sun Belt. Δ

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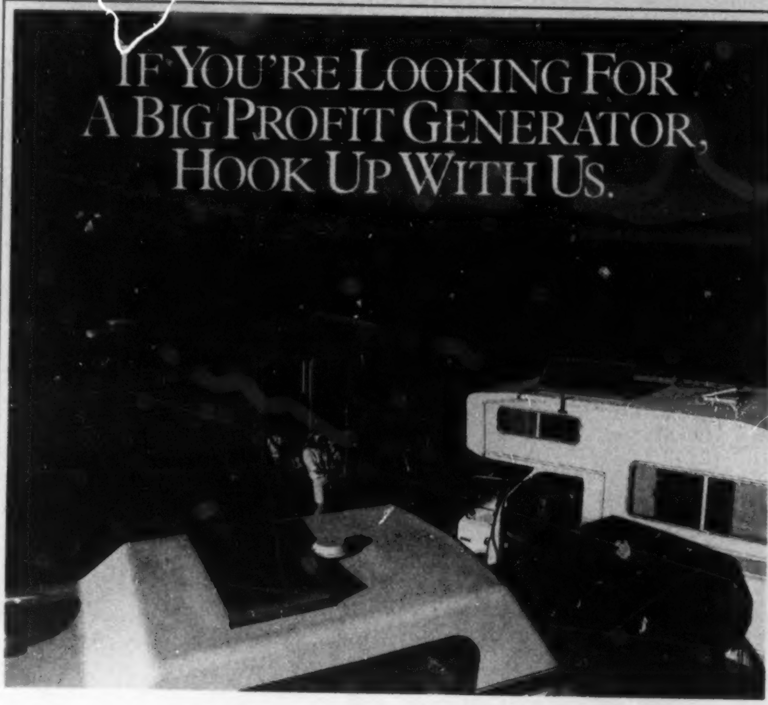

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A lot of RV dealers still think the only benefit of an RV solar panel is to trickle charge the battery.

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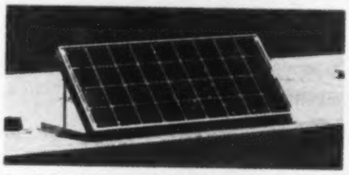
Best of all, Kyocera solar panels are totally quiet and don't cost a cent to operate, so RVer's can escape to even the most remote destinations without the hassle of electric hookups, noisy generators or dead batteries.



Available in 45-watt (self-regulating) and 51-watt (high power) kits. Both are rated at over 3 amps and covered by Kyocera's full 12-year replacement warranty.

So if your aftermarket sales could use a boost, call us for all the details about the best solar panels at 1-800-537-0294. We might have just the profit generator you've been looking for.

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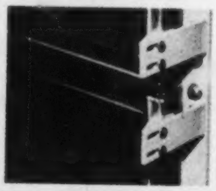

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RV BUSINESS

NOVEMBER 19, 1990

C8950-2

Detroit Details Van-Seat Rules For Converters
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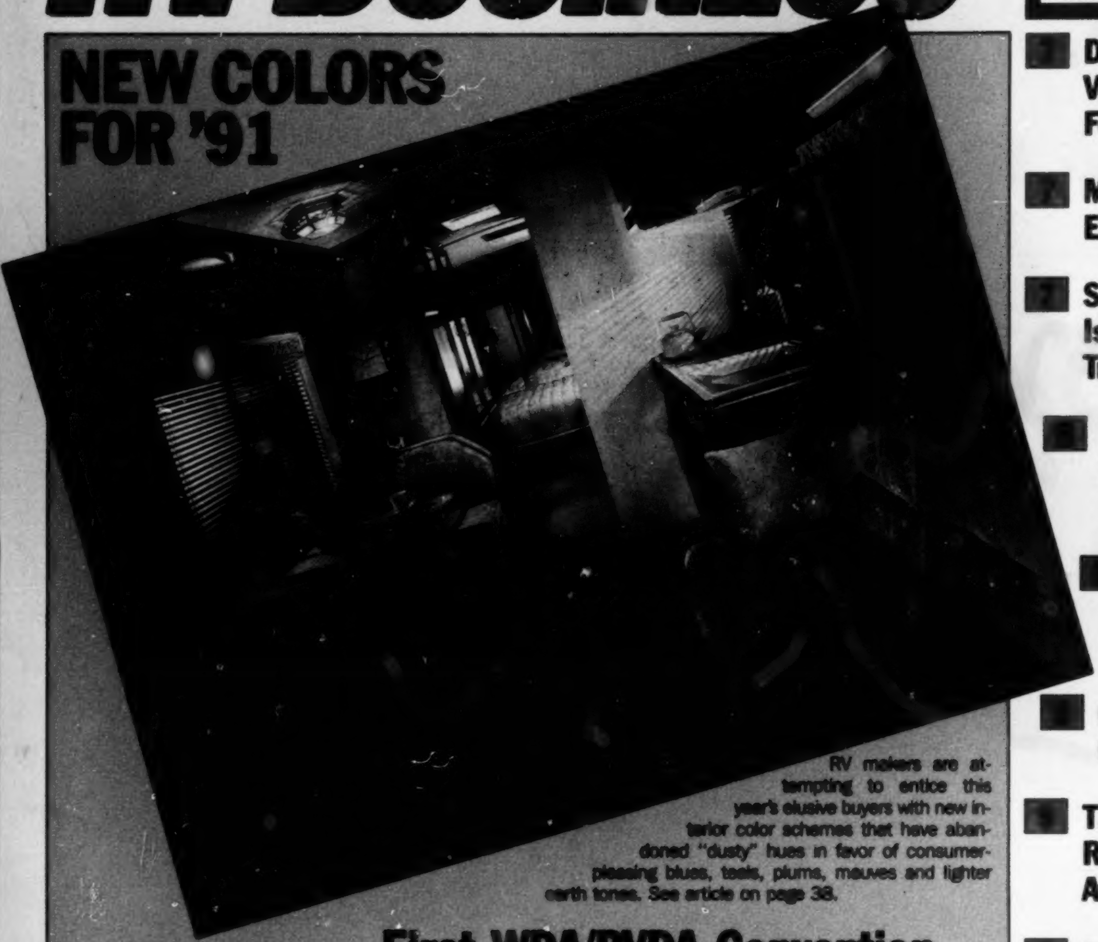
7 Safari Unveils Isuzu-Chassis Trek Class A
Winnebago Offers Gas Rebates
Four Winds Emulates Dutchmen
Carriage Debuts Cashay Trailers
TRVA Show Reports Good Attendance
9 Bivouac Closes, Seeks Credit Extensions
9 Coachmen Orion Renamed 'Clarion'
9 Shasta Fetes 50th Anniversary

NEW COLORS FOR '91



RV makers are attempting to entice this year's elusive buyers with new interior color schemes that have abandoned "dusty" hues in favor of consumer-pleasing blues, teals, plums, mauves and lighter earth tones. See article on page 38.

RVIA Studies Adding MPV Converters

A Nov. 26 meeting of RVIA's board of directors at the National RV Trade Show in Louisville, Ky., will address the controversial question about whether to expand the association's purview beyond traditional RV makers and van converters to upfitters of regular pickup trucks, Blazers, Broncos and a host of other multipurpose passenger vehicles.

It is unclear how the board will vote on a formal bylaw amendment being drawn up by RVIA's staff. Opinions differed

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First WDA/RVDA Convention Achieves Record Turnout

The first triassociation convention ever held by the Warehouse Distributors Association (WDA), RVDA and RVDA of Canada officially was proclaimed a success by all of the organizations and participants on hand Oct. 7-11 in Las Vegas, Nev.

The event, held at the spectacular Mirage hotel, provided each organization with autonomous times to conduct its own business yet overlapping functions where dealers, distributors, suppliers and manufacturers could interact.

Turnout

Attendance figures confirmed the success of the joint convention: Some 1,698 registrants participated in the week-long convention. Of that amount, there were 335 dealerships (and a total of 702 dealer personnel) represented, and Canadian dealerships accounted for 71 of those 335. WDA members made up 404 delegates of the nearly 1,700 in attendance.

The total turnout was the largest number of RV attendees under one roof at an industrywide event in recent years, with the exception of the National RV Trade Show in Louisville, Ky., according to several industry sources. It also represented the largest number of dealers to attend a national

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Tom Schaeffer's
Recreation &
Sports Center
WATER SPORTS
FITNESS EQUIPMENT
JULIE & SCOTT
TIE THE KNOT
DO DA I DO DA

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COVER PHOTO COURTESY OF MALLARD COACH CO.

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Louisville Pre-Show Guide 23

This preview of the National RV Trade Show in Louisville, Ky., provides floorplans, exhibitor lists and a full calendar of events for attendees.

Design by Computer 30

Although the RV industry has been slow to embrace computer-aided design and manufacturing (CAD/CAM), more and more leading manufacturers now are exploring the creative and cost-saving opportunities.

The '91 Palette 38

RV manufacturers and designers describe interior color trends in 1991 models. While slow sales have discouraged radical changes, there is a general move to update decors by abandoning "dusty" hues for more vibrant blues and teals, plums and mauves.

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DID SHIPMENTS REACT TO IRAQ?

MORTON J. MARCUS

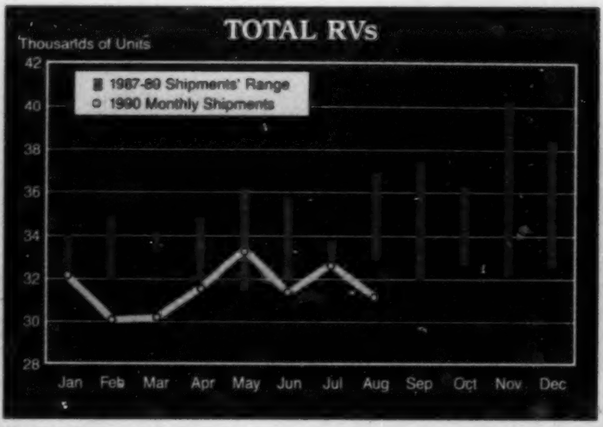


Figure 1

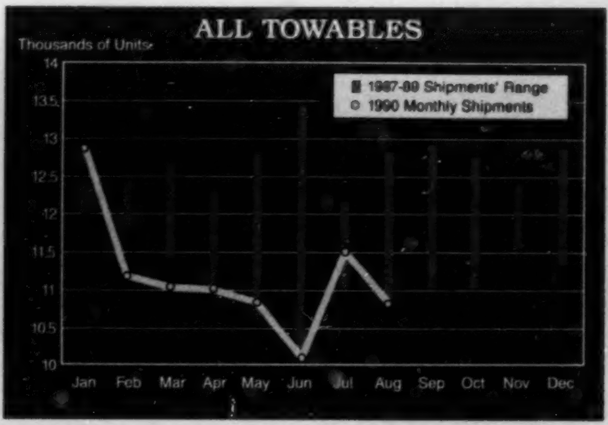


Figure 2

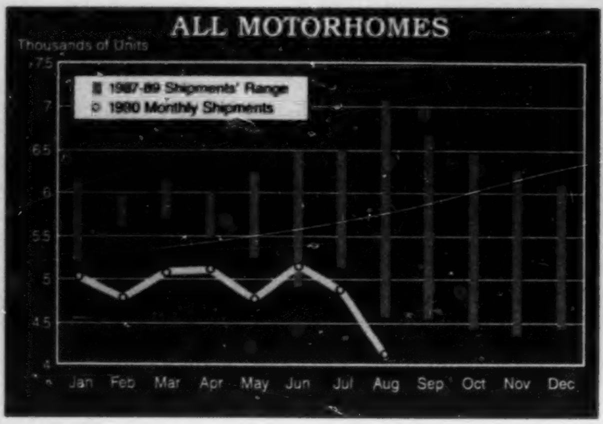


Figure 3

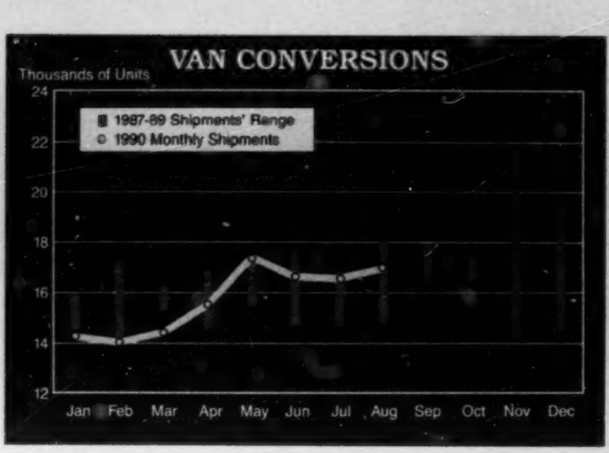


Figure 4

It will come as no surprise that RV shipments were down in August. Early in the month, the effect of the Iraqi invasion of Kuwait became apparent in higher gasoline prices. Concern over even-higher prices grew as the military buildup progressed during the month.

By August's end, it was clear this would not be a Six Day War or short-term Granada-type adventure. Newspapers, radio, television and barbershop conversation all had identified this moment in history as a crisis, a turning point of the decade.

But was the RV shipments decline in August unusual? Did the industry suddenly collapse, or was there just a moderate adjustment? Could it be that the slowdown in shipments was nothing out of the ordinary? We'll try to answer those questions here by using special tabulations based on our historic file of RV shipment data.

No August Surprises

RVIA shipments, adjusted for normal seasonal variations, totaled 31,750 units, down by 3% from July. For the seventh time in the first eight months of 1990, total shipments were below or at the bottom of the three-year range for each month shown in Figure 1. Hence, August was not unusual.

A 3% change for a month is very close to average for total shipments if we look at the record from January 1987 to the present. Over that long period, total shipments averaged a 3.8% monthly fluctuation. Hence, overall, the industry response was less than the average monthly change. At this level of aggregation, the events in the Middle East were not of significance. A look at the detail might, however, show a different conclusion since the process of aggregation might hide the richness of reality.

Reviewing the Record

Towables for August were only slightly

GRAPHICS: CUSTOM COLOR VISUALS

below the three-year range. *(See Figure 2.)* The 5.3% decline from July was above the average 4.5% drop recorded in the past 44 months, but also less than the 7.2% decline of towables in June, although it did reverse the gain of July. Thus, we cannot say conclusively that towables reacted sharply to the military and economic pressures of events in the Persian Gulf.

Motorhomes in August continued below their three-year range. *(See Figure 3.)* That was nothing new. But the August decline of 15.1% was the greatest percent change recorded by the motorhome segment of the industry since January 1987. It was nearly three times greater than the average monthly change (5.3%) for motorhomes. On the surface, August 1990 was an extraordinary month for motorhomes.

Van conversions, in contrast, went in the opposite direction. Shipments of these units were up in August to their second-highest level of the year. Van conversions were above the midpoint for the monthly range established in the past three years. *(See Figure 4.)* Up by 2.2% for the month, van conversions moved against the grain. However, this percent improvement was far smaller than the 6.7% average change recorded for these units in the past 3½ years. Still, the August 1990 record for van conversions was obviously not in line with expectations of reduced shipments due to Saddam Hussein's Mideast adventure.

The Detailed View

When we go deeper into the data, it appears that towables still held a slight lead in relative performance for the year. As noted in Figure 5, towables picked up 1.44 market-share points compared with this point in 1989. Two-thirds of the noted growth came at the expense of motorhomes, which lost 0.97 point; van conversions were down by 0.48.

Year-to-date, conventional travel trailers added the most to the advance of towables. Among the Class C units and Class A units, minis led motorhomes' downward market-share slide.

Van conversions were not the only deviant segment of the market in August. Six of the 11 types of recreational vehicles actually had higher levels of shipments in August than in July. *(See Figure 6.)* Making progress were park models and truck campers among the towables. Class B motorhomes, low-profile Class C and micro-mini Class C units all gained in August compared with July.

Declines were seen in only five of the 11 types in Figure 6. Class C minis led the downward move with a loss of 560 units (a drop of 38.5%), which was the greatest single-month decline in this type of unit since 1987. The 13.6% falloff seen in Class A units was a smaller decline than the drop of 16.5% during July.

Conventional travel trailers fell by 9.3% in August and accounted for 77% of the total drop in towables. But this decrease was on the heels of a 19.4% increase in July, the biggest single-month gain made by these units in 44 months. It does not surprise us to see this decline following such a major gain.

By now, if you are still with us, you may be ready to ask: So what? The answer seems to be: Nothing significant happened in August to RV shipments as a result of the Iraqi incursion. There is no conclusive evidence that August was a sharp turning point in RV shipments. The industry had been weak and highly variable prior to August; August was not an exception to that pattern.

Perhaps we expected too quick a response. Perhaps orders already had been placed, and shipments in August reflected market conditions of earlier months. In that case, we may expect to see the anticipated drop in the data for September. But, given the well-known perversity of this industry, do not hold your breath while awaiting a startling change. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

PERCENT MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.03	22.82	1.21
Conventional	14.28	13.45	0.84
Park Models	1.95	1.99	–0.04
Fifth-wheels	7.79	7.38	0.41
Folding Camping Trailers	8.57	8.40	0.17
Truck Campers	2.60	2.54	0.06
TOTAL TOWABLES	35.20	33.75	1.44
Motorhomes:			
Class A	8.61	9.31	–0.70
Class B Van Campers	1.66	1.32	0.35
Class C:	5.01	5.62	–0.61
Minis	3.90	4.64	–0.74
Low Profiles	0.20	0.40	–0.20
Micro-minis	0.92	0.58	0.34
TOTAL MOTORHOMES	15.28	16.25	–0.97
Multiuse Van Conversions	49.52	50.00	–0.48

Percentages may not add to total because of rounding.

Figure 5

The industry had been weak and highly variable prior to August; August was not an exception to that pattern.

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

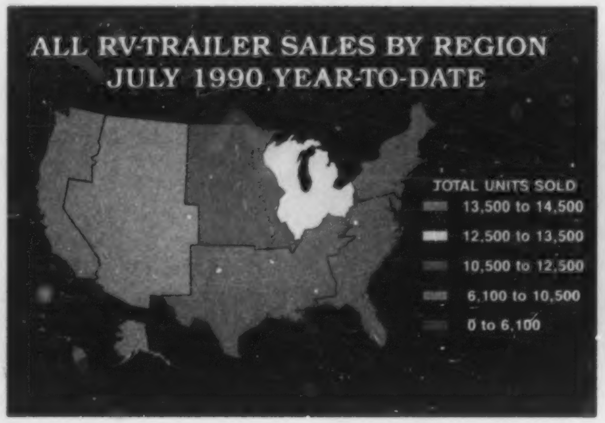
Type of Units	Aug '90	Change From Jul '90 Number	Change From Jul '90 %	Year-to-Date 1990	Year-to-Date 1989	Change Number	Change %
TOTAL RVs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Travel Trailers:	7,280	-520	-6.7	61,100	60,280	820	1.4
Conventional	4,520	-470	-9.3	36,320	35,520	800	2.2
Park Models	620	10	2.1	4,950	5,250	-300	-5.7
Fifth-wheels	2,150	-70	-3.2	19,820	19,500	320	1.6
Folding Camping Trailers	2,720	-270	-9.1	21,790	22,160	-390	-1.8
Truck Campers	890	190	27.4	6,620	6,710	-90	-1.3
TOTAL TOWABLES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motorhomes:							
Class A	2,250	-350	-13.6	21,890	24,610	-2,710	-11.0
Class B Van Campers	590	10	1.7	4,230	3,480	750	21.5
Class C:	1,270	-390	-23.3	12,750	14,850	-2,100	-14.2
- Minis	890	-560	-38.5	9,910	12,250	-2,350	-19.2
- Low Profiles	80	80	n.a.	510	1,070	-560	-52.2
- Micro-minis	300	90	45.0	2,330	1,530	800	52.4
TOTAL MOTORHOMES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Multiuse Van Conversions	16,750	360	2.2	125,930	132,080	6,160	-4.7

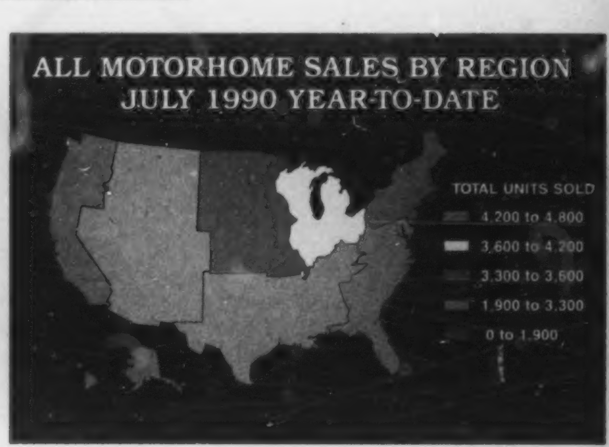
[illegible]

Figure 6

MOTORHOMES TURN IN WEAKER PERFORMANCE THAN RV TRAILERS

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

According to July 1990 retail registrations, the motorhome market, which does not include sales data from the state of California, was down 11.8% nationwide compared with the first seven months of 1989. In contrast, the RV-trailer market, which does include California numbers, was down 2.4% for the year-to-date.

Motorhome sales, without California data, dropped by 18%, or 733 units, for the month when compared with last July. Listed in Figure 1 are the seven national regions ranked by the percent change in motorhome sales in July 1990 compared with the same month of last year. The Pacific states led the rankings, with Alaska turning in the strongest performance in that region. In the bottom-ranked Northeast, Massachusetts reported the weakest motorhome market.

For the year-to-date, the motorhome market was down by 11.8%, or 3,121 units, when compared with the first seven months of 1989. (Comparisons do not include California.) Listed in Figure 2 are the regional rankings according to the percent of change between 1990 and the same period of last year. The Pacific region topped the list, and Washington state reported the largest increase among those states. The Northeast trailed the pack, with Massachusetts experiencing the largest decline for the year-to-date.

The RV-trailer market in July fell by 5.7%, or 689 units, compared with July 1989. Figure 3 ranks the seven national regions by the percent of change in July trailer sales compared with the same month last year. The Pacific region again was the No. 1 region, and Oregon recorded the largest gain in trailer sales for the month there. The

MOTORHOMES, JULY '90

July '90 Rank	Region	% of Change From July '89	June '90 Rank
1	Pacific	− 9.5	1
2	S. Central	−10.3	3
3	S. Atlantic	−15.9	7
4	Mountain	−20.9	4
5	W.N. Central	−21.1	2
6	E.N. Central	−23.9	6
7	Northeast	−25.3	5

Figure 1

MOTORHOMES, YEAR-TO-DATE

July '90 Rank	Region	% of Change Year-to-Date	June '90 Rank
1	Pacific	1.7	1
2	S. Central	− 5.1	2
3	W.N. Central	− 9.3	3
4	S. Atlantic	− 9.7	4
5	Mountain	−12.1	5
6	E.N. Central	−20.0	6
7	Northeast	−22.0	7

Figure 2

RV TRAILERS, JULY '90

July '90 Rank	Region	% of Change From July '89	June '90 Rank
1	Pacific	7.3	3
2	W.N. Central	1.6	4
3	S. Atlantic	− 5.7	6
4	Mountain	− 6.6	2
5	S. Central	− 7.3	1
6	E.N. Central	−12.3	5
7	Northeast	−12.6	7

Figure 3

RV TRAILERS, YEAR-TO-DATE

July '90 Rank	Region	% of Change Year-to-Date	June '90 Rank
1	S. Central	12.8	1
2	Pacific	6.6	3
3	Mountain	6.0	2
4	W.N. Central	− 3.1	4
5	S. Atlantic	− 6.9	5
6	E.N. Central	− 8.6	6
7	Northeast	−16.2	7

Figure 4

GRAPHICS: CUSTOM COLOR VISUALS

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AT RETAIL *from page 18*

Northeast again fell to last place, with Massachusetts having the largest decline.

For the year-to-date, the RV-trailer market was off by 2.4%, or 1,786 units, compared with the tally for the January-July period of last year. Figure 4 shows the regional rankings based on the percent of change in the first seven months of 1990 compared with that same period in 1989. The South Central region was the big year-to-date winner, with Alabama reporting the largest gain in that region. The Northeast states came in last, and New Hampshire had the largest decline there.

Overall, July figures showed that the motorhome market continued to be softer than the RV-trailer market. We can speculate that the RV-trailer market has the advantage of a wider range of prices to offer the consumer, which tends to reduce the barriers to attracting new buyers. The RV-trailer industry also has played up that advantage with increased introductions of lower-priced products in 1990 and 1991, which may have expanded trailer sales. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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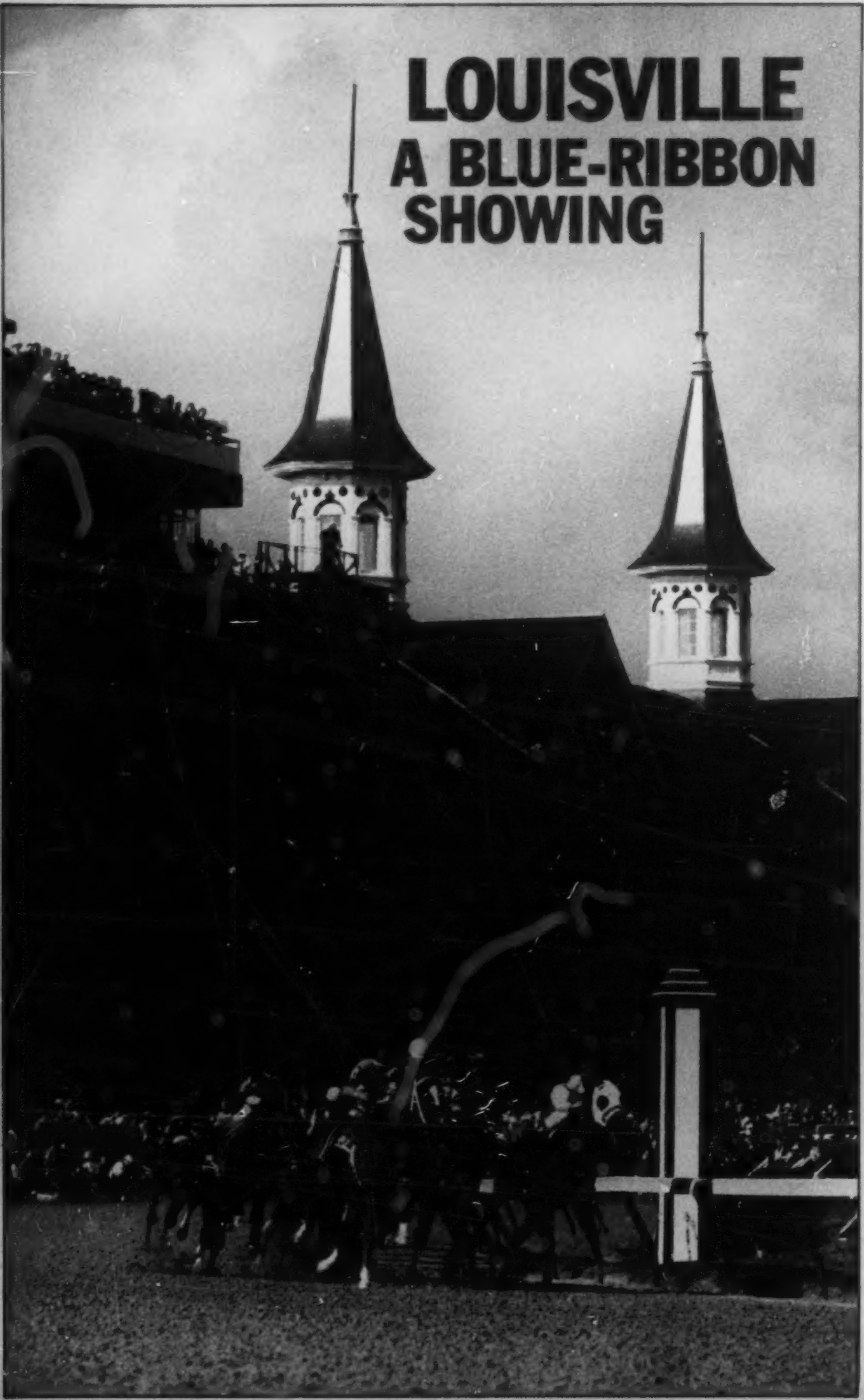

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8 Analysts See Silver Lining in Recession Clouds

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13 Granville Unveils Downsized Lextra

13 Chrysler Adds Converters, Ups Quality Control

15 Cruise America Buys 500 Winnebagos

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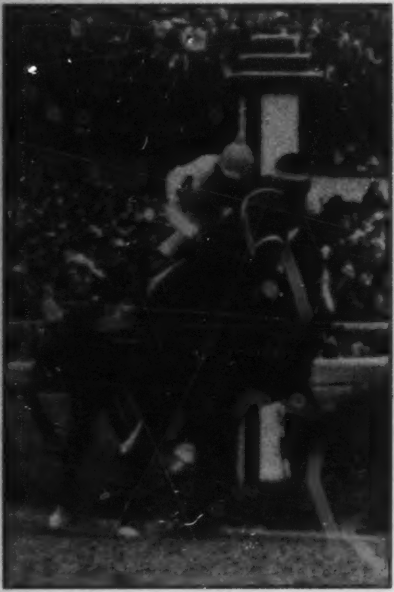

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COVER PHOTO COURTESY OF LOUISVILLE CONVENTION & VISITORS BUREAU

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This overview of the National RV Trade Show in Louisville, Ky., features floorplans, exhibitor lists, a full calendar of events and a quick tour of local restaurants to help attendees make the most of their visit.

Improving Customer Service 36

Dealers with outstanding records in customer service describe some wide-ranging and innovative methods for improving responses to customer needs and problems—from free cookies to professional survey experts.

The Art of Delegating 43

For hard-driving, successful RV dealers, one of the hardest tasks often is learning to delegate responsibilities. Dealers and experts highlight some of the key problems involved in learning to hand over day-to-day decisions to others.

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BELTS TIGHTEN ACROSS THE BOARD

GAYLORD MAXWELL

At first glance, our Dealer Advisory Board's (DAB) figures indicated a "not too shabby" September. But, digging deeper into the numbers, we found that it was a very difficult month for most of our board members. It was most apparent that the effects of higher gas prices, the Persian Gulf crisis and a sluggish economy had been felt, in no uncertain terms.

On the good side, the total sales volume for the board was not too far off from the total for the first nine months of last year.

Total unit sales for the month were only slightly behind those of last September. Sales of one RV type were actually up, one type was the same, and one was only slightly off.

Five board members actually were up in dollars taken in for September. However, one board member's large dealership experienced a tremendous sales upsurge ($1.4 million!), which offset the declines of three-quarters of the rest of the DAB.

New-unit sales were down 12% for the month. More to the heart of the matter, profits were down enormously. There were more poor ratings for bottom lines than we ever have seen on a monthly report, and most of the others were rated only fair. Reports of greatly increased sales costs were matched by an equal number telling of cuts in expenses, staff and working hours.

Most members of the DAB said that their inventories, both new and used, were high, while both lot traffic and number of new buyers were rated low. Both of those indicators suggested basic problems in the marketplace, and it was equally clear that belt-tightening had been the primary activity at most dealerships.

> *Inventories, both new and used, were high.*

Motorhomes

Most motorhome dealers took it on the chin in September, especially the big dealers. The one exception was a very large DAB dealership that more than doubled sales for the month, thanks primarily to discount buying and discount sales. Most others saw their new-unit sales fall to below half those of last year.

Used units, however, moved well; sales were up from last September by 12%. Although several motorhome dealers rated profits poor, they tended generally to be fair to good.

Year-to-date, new-unit sales were off by a substantial amount for the DAB, while the used column remained barely on the minus side. Perhaps the reason used sales held up well was that people still wanted motorhomes but were unwilling to invest the price of new rigs while economic conditions remained in a state of confusion. Or it could be that many dealers reduced used inventories at prices buyers couldn't resist.

It would appear that the motorhome market isn't going to fall apart, but it appears equally likely that there will be a rough road ahead for dealers and manufacturers.

Travel Trailers

For the first time this year, new-unit sales of travel trailers fell behind those of the corresponding month last year. The drop was slight, but a substantial change from the tally for the year-to-date. Most dealers were close to last year's numbers in both new and used. Profits were generally rated fair to good.

Hopefully, we aren't seeing the beginning of a trend in a downward direction after such a great year. Unfortunately, the odds are that we are.

Truck Campers

New-unit sales managed to stay equal with those of last year for September. Our largest DAB camper specialist actually quadrupled last year's sales. Used units fared even better, with sales well ahead of those of last September. Profits were rated a bit on the weak side.

Sales weren't astounding, but they could

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
MOTORHOMES	90	121	−26	986	1,228	−20	109	97	+ 12	1,145	1,175	− 3
TRUCK CAMPERS	19	19	0	255	293	−13	9	8	+ 13	166	134	+24
FIFTH-WHEELS	41	39	+ 5	446	394	+13	21	29	− 28	244	247	− 1

	FOR MONTH			YEAR-TO-DATE		
	SEPT. 1990	SEPT. 1989	% CHANGE	1990	1989	% CHANGE
TOTAL UNIT SALES	501	529	− 5	6,347	6,447	−2
USED-UNIT SALES	241	232	− 4	2,770	2,779	(+1

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McManus,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Don Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

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DAB *continued*

get better. The guy with a truck who wants to do a bit of traveling might find a camper, particularly a used one, to be a very inexpensive way to go.

Folding Camping Trailers

It is difficult to evaluate sales of this RV type at this time of the year because the unit numbers drop so low. At the same time, the percentage drop in September was substantial, which probably indicated that working people were being extra-cautious – with good reason.

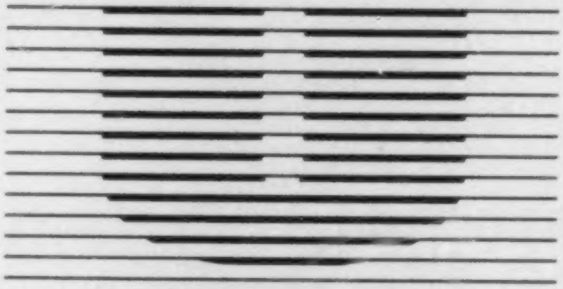
That is a situation that easily could get much worse.

Fifth-wheels

With a good record for the year-to-date, fivers remained in the plus column again in September. The monthly increase didn't match that for the year-to-date, but it was significant in that fivers were the only category to have a plus in new-unit sales for the month. Used sales were rather dismal, however, and fell substantially from the normal rate.

As the benchmark for snowbird sales, the fifth-wheel trend indicates that retirees are still in the market. That is the most hopeful sign for the month. Δ

AN OLD NAME IN THE INDUSTRY HAS A NEW WAY OF LOOKING AT IT.



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RV BUSINESS

DECEMBER 21, 1990

RV Makers Rein in '91-Model Price Hikes

Stiff competition is prompting U.S. motorhome and travel-trailer manufacturers to hold the line on 1991-model year price adjustments, with most companies levying price hikes of no more than 4% and usually much less. This makes for at least three consecutive years during which RV makers have reined in price hikes.

"All the manufacturers in the industry seem to be holding their pricing, and we're holding our prices to a degree," reported Jake Bergh, vice president of sales for Granville Inc., an Elkhart, Ind., motorhome maker affiliated with Canada-based Bonair Leisure Industries. "We've had a chassis increase from Detroit, and we're passing that on. Still, our prices will rise by no more than 3%."

"We haven't had a significant price increase since '89 (model year)," lamented Jack Nicholson, executive vice president of Mallard Coach Co. Inc., in Nappanee, Ind.

Although a number of companies have had to take larger price hikes to maintain quality and fiscal equilibrium during the past three years, manufacturers indicated that that is more the exception than the rule. In most cases, price increments have been so moderate that some executives have expressed concern over the long-term impact of continued conservative pricing on profit margins and earnings throughout the industry.

Here is an overview of other RV manufacturers' approaches to 1991-model pricing:

- "Basically, our pricing stayed very competitive," said John Willibrand, vice president of Play-Mor Trailers Inc., Westphalia, Mo. "It actually got better (lower), with more buy for the buck, due to the fact that buyers got more equipment at a better price."
- "We took approximately 2%, less than inflation," noted Mike Mitchell, board chairman of NuWa Industries Inc., Chanute, Kan. "We're absorbing some of the inflation, just trying to be more competitive."
- Newmar Inc., Nappanee, Ind., boosted prices 3% on its lower-priced units, 6% on more expensive products, according to Marketing Director Don Wright.
- "We've worked very hard at keeping our pricing down," said Kay Toolson, president of Monaco Coach Corp., Junction City, Ore., adding that price boosts for high-end Signature and Crown Royal Class A motorhomes were held to a level of about 1.5%.
- Jayco Inc. Vice President Wilbur Bontrager reported that the Middlebury, Ind., firm put through price increases of 2% to 3% or less.
- "We had a small increase, probably less than what the normal inflation was," noted Perry Yoder, director of sales and marketing for Carriage Inc., Millersburg, Ind. "We added standard equipment in several cases. In general, we were able to stay with about a 2% increase."
- "We went up 4.5% on our (motorhome) bodies," said Ron Frank, board chairman of the Xplorer Motor Home Division of Frank Industries Inc., Brown City, Mich. "There have been some adjustments (discounting) in chassis, so the overall price should be unchanged to the dealer."
- Prices for Fleetwood Enterprises Inc.'s fold-down and

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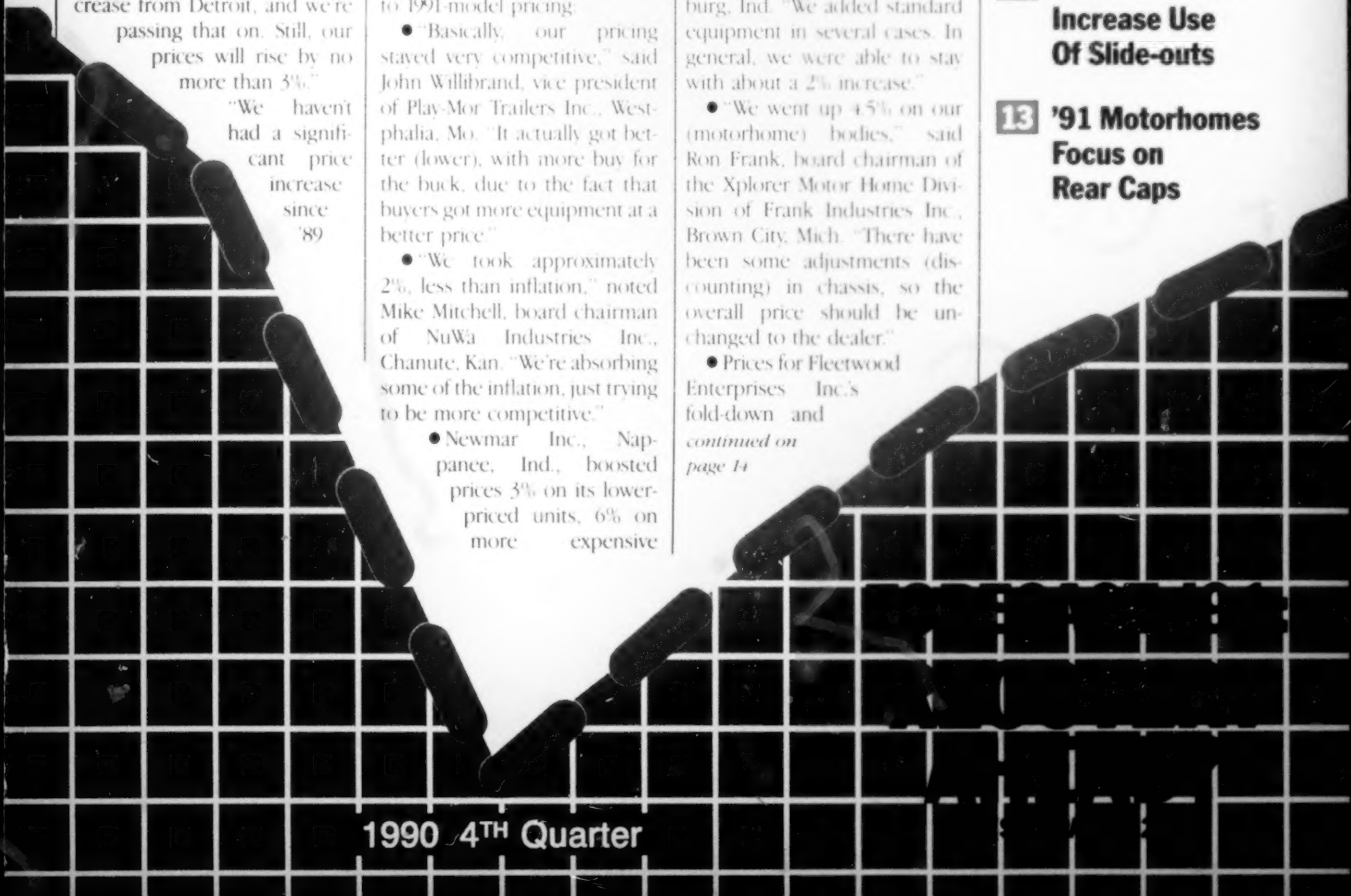

1990 4TH Quarter

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The economy and the RV industry have clearly entered a recession, but the good news is that the worst may be over: The fourth quarter of 1990 marks the bottom of the RV shipment decline, according to Indiana University's econometric forecast. 1991 should see continuous recovery for RV shipments.

Dealers & Campgrounds 26

Dealers who either own their own campgrounds or have established an alliance with a local campground swear by the positive results—not only for the dealership's bottom line but for the industry as a whole.

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AUGUST RETAIL MARKET SLOWS BUT DOES NOT STOP

THOMAS WALWORTH

Motorhome and RV-trailer retail information for August 1990 is complete for the entire nation for the first time this year, now that California vehicle-registration data is once again available. Access to California data previously had been restricted under a 1989 state law.

The August 1990 RV-trailer market was off 3.2% for the year-to-date, while the motorhome market was off 13.9% compared with the first eight months of 1989.

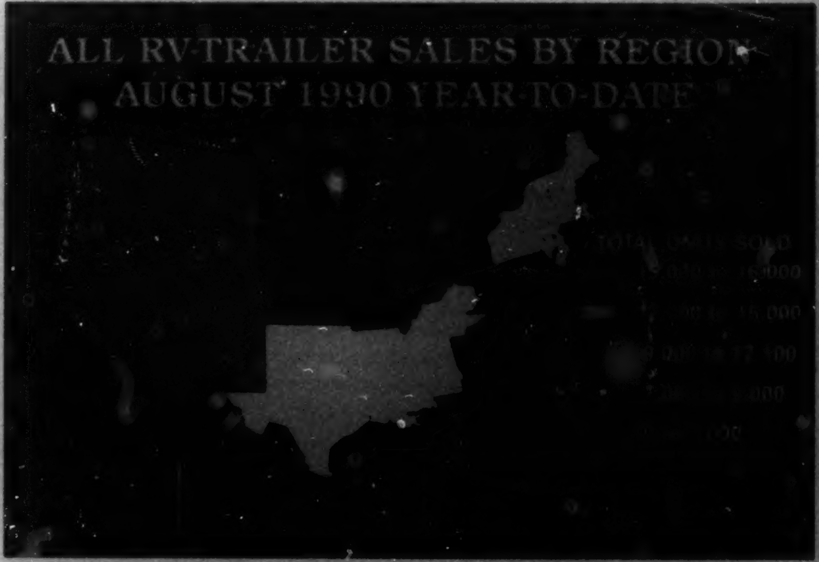
But, even with the downward market trend nationally, nine states topped 1989 year-to-date sales volume in motorhomes, and 25 states surpassed the 1989 year-to-date figures in terms of RV-trailer sales.

RV-trailer sales overall were off 10.7%, or 1,212 units, in August compared with August of last year. Figure 1 shows the seven national regions ranked by the percent change in RV-trailer sales from August 1989. North Dakota led the West North Central region, which showed the largest gain over August of 1989, while the Pacific trailed, with Alaska showing the largest decline.

For the year-to-date, the RV-trailer industry declined 3.2%, or 2,722 units, compared with the same eight months of 1989. In Figure 2, the South Central region led the nation, with the state of Alabama having the largest increase for the year-to-date, while New Hampshire, in the lowest-rated Northeast, reported the largest dip.

Motorhome sales for August 1990 experienced a drop of 20.7%, or 1,098 units, from the same month of 1989. Figure 3 shows the seven regions ranked by the percentage change in motorhome sales compared with August 1989. The South Central region topped the rankings, with the state of Arkansas reporting the strongest market. In the bottom-ranked East North Central region, Indiana had the largest decline.

Year-to-date, motorhome sales were down 13.9%, or 5,526 units, from the same period of 1989. Figure 4 ranks the seven regions according to the year-to-date percentage change in motorhome sales compared with 1989. Topping the list was the South Central region, where Arkansas



ALL MOTORHOME SALES BY REGION
AUGUST 1990 YEAR-TO-DATE
TOTAL UNITS SOLD

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

GRAPHICS: DIGITAL LIFE

RV TRAILERS, AUGUST '90

Aug. '90 Rank	Region	% of Change From Aug. '89	July '90 Rank
1	W.N. Central	+ 9.7	2
2	Mountain	+ 9.1	4
3	S. Atlantic	− .1	3
4	S. Central	− 5.8	5
5	E.N. Central	−10.5	6
6	Northeast	−24.7	7
7	Pacific	−26.1	1

Figure 1

RV TRAILERS, YEAR-TO-DATE

Aug. '90 Rank	Region	% of Change Year-to-Date	July '90 Rank
1	S. Central	+10.4	1
2	Mountain	+ 6.9	3
3	Pacific	+ 2.0	2
4	W.N. Central	− 1.3	4
5	S. Atlantic	− 5.8	5
6	E.N. Central	− 8.3	6
7	Northeast	−17.0	7

Figure 2

MOTORHOMES, AUGUST '90

Aug. '90 Rank	Region	% of Change From Aug. '89	July '90 Rank
1	S. Central	−10.6	2
2	Mountain	−13.8	4
3	W.N. Central	−19.1	5
4	S. Atlantic	−20.1	3
5	Pacific	−20.1	1
6	Northeast	−25.2	7
7	E. N. Central	−30.7	6

Figure 3

MOTORHOMES, YEAR-TO-DATE

Aug. '90 Rank	Region	% of Change Year-to-Date	July '90 Rank
1	S. Central	− 5.6	2
2	W.N. Central	−10.1	3
3	S. Atlantic	−10.5	4
4	Mountain	−11.9	5
5	Pacific	−12.7	1
6	E.N. Central	−21.3	6
7	Northeast	−22.2	7

Figure 4

showed the largest increase. In the lowest-ranked Northeast region, the state of New Hampshire reported the largest decline.

The expected large drop due to the Mideast situation was not seen in the month of August. The market was affected somewhat—sales continued to take place, although the wholesale segment slowed, and lot inventories declined. A clearer picture of the market and the effects of the Mideast problems will be possible when third-quarter statistics are seen. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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- Immediate Delivery
- Improve Stability
- Protect Springs
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1991

THE ROAD BACK FROM IRAQ

MORTON J. MARCUS

At this writing, three months have passed since Iraq overran Kuwait. Civilians who never heard of Kuwait now can find it on a map, and a massive military force has been moved from the United States and the European continent to serve in the Middle East. But no resolution of the crisis is seen as yet. Meanwhile, where we previously were concerned about a weak economy with slow growth, we now can speak clearly about the recession already in progress.

The longest peacetime expansion of the U.S. economy has come to an end. Employment and earnings are falling. Accelerated inflation, because of petroleum price increases, has cut the buying power of the American household. Businesses and governments are looking for new revenues to replace the shortfall anticipated in the months ahead.

Until the military uncertainty in the Middle East is resolved, the public rightfully will be uneasy—concerned about the safety of relatives and neighbors, and disturbed by the prospects of unstable prices. This discomfort will depress economic activity and continue to hold down advances in the recreational vehicle industry.

But as time goes forward, we will have either a shooting war, a standoff or a political resolution of the conflict. Any of these results, if sustained, will reduce the uncertainties which destabilize the economy. We have lived long periods of time with opposing armies facing each other (think about Korea) without firing a shot. Prosperity is possible in such conditions as we become accustomed to the delicate balance of terror and power. A shooting war, however painful on a personal basis, also can be accepted as a stable, albeit undesirable, condition.

RV sales, like other discretionary consumer durable goods, are hit hard by uncertainties of this magnitude. The talk in the tavern, the features on TV, the dinnertable conversation all center on recession, war, inflation and uncertainty. If the purchase of a big-ticket item can be postponed, it will be. Autos and dishwashers will be nursed along for another few months until the clouds of confusion clear, or we become accustomed to them.

The RV Forecast

Our previous forecast (RVB, Oct. 8, 1990) included a standard or control forecast, and an alternate outlook, which we said could be considered as a "worst likely case scenario." With some changes, that alternate has become our new forecast for the balance of 1990 and all of 1991.

Figure 1

GRAPHICS: DIGITAL LIFE

Since it was September before there was a significant adjustment in RV shipments, the third quarter came in close to our previous control forecast. *(See Figure 1.)* During the majority of the second quarter, the economy was not yet fully affected by the Kuwait crisis so that shipments totaled 91,300 units, just 1.2% lower than our forecast of 92,400.

If the economy had continued in the direction established in the spring and early summer months, total shipments would have followed the path indicated by our previous forecast in Figure 1. That path, however, was blocked and obliterated by the aggression in the Middle East. Now, with the reality of higher oil prices, total shipments in the fourth quarter are expected to decline sharply. We are forecasting a total of just 67,000 units shipped in the last three months of 1990.

The good news: 1991 is a year of steadily improving shipments, with recovery attained by the last quarter of the year. We expect that total shipments in the fourth quarter of 1991 will be back to the level enjoyed before the shock, a total of 91,300 units in that final quarter.

The Detailed RV Forecast

On a year-to-year basis, as seen in Figure 2, the decline of 3.4% in 1991 will be far less than the 12.5% fall in 1990. This decline also will be less than half the 7.5% shortfall of 1989. The industry has been moving downward for some time, and the fourth quarter of 1990 may provide a cathartic adjustment, after which growth may be resumed.

Figure 2 shows that only Class B motorhomes (van campers) escaped the downward forces of 1990, although this was achieved on small volume. For 1991, only folding camping trailers are expected to realize shipments greater than in 1990.

The good news is that the declines of 1991 depicted in Figure 2 are generally well below the losses of 1990. Total shipments, which are expected to be down by 50,000 units (12.6%) in 1990, are forecast to fall 12,000 units (3.4%) in 1991. Motorhomes, after falling by 11,100 units in 1990, should cut their decline to 7,500 units in 1991. After a 27,600-unit decline in 1990, van conversions should drop by less than 1,000 units in '91. The 11,300-unit drop for towables in '90 is followed by a smaller 4,000-unit decline in '91.

No one can take much comfort from continuing declines in the industry, but it appears from here that the tide is turning. Each quarter in 1991 is better than its predecessor, and the year-to-year declines are a consequence of the shock to the economy brought on by the rapid rise in oil prices. Recovery for the RV industry will not be sudden, but it will occur as the economy improves. Now we can see how that will happen.

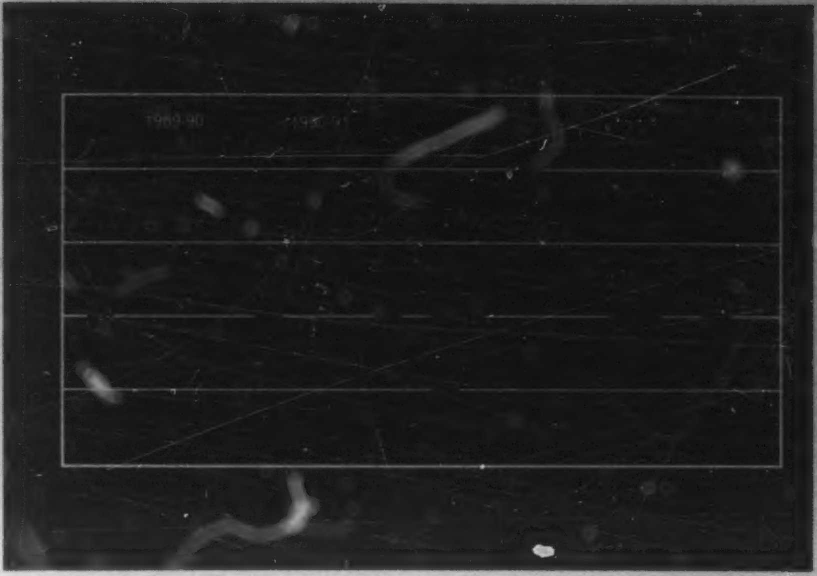


Figure 2

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION	1989	1990	1991
		— Forecast —	
Gross National Product	2.5	1.0	0.3
Consumer Spending	1.9	1.2	0.7
Business Investment	3.9	1.7	–0.9
Residential Investment	–4.0	–4.2	–7.0
Exports	11.0	5.4	4.7
Imports	6.0	3.6	2.5
Govt. Purchases			
Federal	2.1	1.9	–1.6
State & Local	2.4	2.9	1.7

Figure 3

No one can take much comfort from continuing declines in the industry, but it appears from here that the tide is turning.

The National Economy

Our forecast is based on evidence that America is in a recession. Two consecutive quarterly declines in real gross national product (GNP) constitute a recession. With GNP falling in the fourth quarter of 1990 and the first quarter of 1991, the annual data of Figure 3 might hide the recession — but it is there. For calendar-year 1990, we expect to end up with very weak growth of real GNP (the value of all goods and services produced in the market during the year, after adjustment for inflation). In 1989, we had an average growth rate of 2.5%; 1990 is foreseen to finish with just 1.0% growth, below the level necessary to sustain healthy growth. Now, we expect just 0.3% GNP growth for 1991.

KEY FACTORS IN THE FORECAST	1989	1990	1991
		– Forecast –	
Prime Interest Rate (%)	10.9	9.9	9.5
Value of the Dollar (1973 = 100)	98.5	89.9	83.7
Unemployment Rate (%)	5.3	5.5	6.4
% Change at Annual Rates:			
Money Supply (M2)*	3.7	5.2	4.4
Real Disposable Personal Income	2.4	0.9	0.0
Consumer Price Index	4.8	5.7	5.3
Food & Beverages	5.7	6.0	5.3
Motor-Fuel Prices	9.4	15.7	14.5

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

ANNUAL TRENDS	1989	1990	1991
		— Forecast —	
Unit Auto Sales (millions)	9.9	9.5	8.5
Unit Housing Starts (millions)	1.4	1.2	1.0
Personal Savings Rate (%)	4.6	4.4	3.8
% Change in Compensation per Manhours	3.2	3.2	4.0
Productivity	–0.2	–0.8	–0.3
Unit Labor Costs	3.4	4.0	4.3

(Compensation – Productivity = Unit Labor Costs)

Figure 5

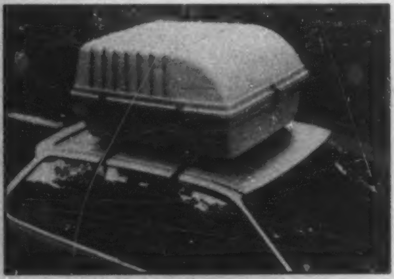
Consumer spending will fall from a weak annual real growth rate of 1.2% to just 0.7%.

continued on page 47

PROFITMAKERS

Superbag Features an All-Season Bed in a Bag

RV n' Sea Recreation Products offers Superbags for RVs, boats and vacation homes. Superbag features two comforters for the price of one, a 5-ounce summer side and a 10-ounce winter side; dual-head nylon zippers on three sides allowing bags to be unzipped to make one bag into two; percale sheets with each bag; water- and mildew-resistant material that is 100% machine-washable; a tote bag for travel and storage; six standard colors (navy, gray, mauve, tan, brown and light blue), with custom colors available; four standard sizes (single, queen, king and V-Berth), with custom sizes available; and optional accessories, including pillow shams, additional sheets, dust ruffles and monogramming. RV n' Sea Recreation Products offers a 30-day money-back guarantee and a 10-year warranty against defects. RV n' Sea Recreation Products, 26516 Lope De Vega, Mission Viejo, Calif. 92691; (714) 830-1292.



Contico Introduces a Deluxe Tuff Shell Luggage Top Carrier

Contico Manufacturing has introduced the aerodynamically designed Deluxe Tuff Shell Luggage Top Carrier Model 1850. An 18-cubic-foot bin made of high-density blow-molded plastic, it opens from the side for easy access. It also has a tight-sealing gasket to keep out dirt and moisture, as well as rubber pads to prevent marring of the car top. A heavy-duty lock is featured with this vinyl-coated, rustproof carrier. Contico International, 1101 Warson Road, St. Louis, Mo. 63132; (314) 997-5900. Δ

FORECAST *from page 23*

Investment by businesses and investment in residential housing will decrease and provide no stimulus to the economy. Federal spending will fall after adjustment is made for inflation, and our state and local governments will not be expanding very fast as they are pressed to sustain revenues in the face of a flat economy and voter hostility to tax increases.

Exports, based on continued healthy expansion in Europe and Japan, will be the only strength we have in the national economy. This just restates the obvious: More and more, America depends on international markets to provide the stimulus to growth which our own economy does not engender.

Interest rates, which are of importance to the RV forecast, will be declining in 1991 as the Federal Reserve pumps money into the economy. *(See Figure 4.)* But the Fed will not be very expansive, so don't look for big declines in interest rates. Although the Fed would like to keep the recession short and shallow, it can't let interest rates decline too fast or we would see U.S. and foreign investors pull out of American bond markets, and we need their funds to support our deficit spending. So the unemployment rate will rise from 5.5% to 6.4%, but we will not sustain as deep a decline in the value of the dollar. This will keep the prices of imports from rising very rapidly, and the inflation rate can fall as seen in the Consumer Price Index in Figure 4.

Now, when we talk about deficit spending, it is not just the federal government that will spend faster than it brings in the dollars. Note that, in Figure 4, real disposable personal income is expected to hold steady (no growth), but Figure 3 shows consumer spending rising by 0.7%. If income is not going up, and spending is rising, there must be a decline in savings and more borrowing. Thus, the personal savings rate is expected to fall from 4.4% in 1990 to just 3.7% in 1991. *(See Figure 5.)*

Real disposable income, a key to RV sales, will not be rising because of three factors: reduced employment, higher taxes and higher prices. The inflation outlook is not as bad for next year as we might have expected. Consumer prices in 1990 are probably going to have a 5.7% increase. The resolution of the Middle East conflict should keep oil prices from rising as rapidly in 1991.

The bad news on the inflation front will be the progressive rise of unit labor costs, as shown in Figure 5. This long-term cost-push factor sets a base rate for inflation in the years ahead. As such, it indicates another force that will keep long-term interest rates from falling enough to provide sustaining stimulus to the economy.

Motor-fuel prices will rise faster than the general rate of inflation, thereby again depressing RV sales. *(See Figure 4.)* Also hurt by the lack of gain in real disposable income are housing starts and auto sales. *(See Figure 5.)* In each case, we anticipate a decline for 1991.

The lack of strength in the housing and auto markets will hurt the Midwest in particular. The Northeast is undergoing a restructuring of the financial sector, with banks and brokerage houses reducing staff. The Oil Patch has yet to realize major gains from the rise in petroleum prices since it has great excess capacity left over from the last oil boom. As a result, the best prospects for 1991 would appear to be in the Southeast and Pacific regions, where long-term growth trends will be moderated but not eliminated.

Concluding Notes

The year ahead can be seen as one of improvement. The worst may be over now that the shock of rising oil prices is working its way through the economy. From here on out, it is a question of how rapidly those adverse effects move through the system.

We have made no reference to the federal budget deficit here. That is because, despite the headlines of the past few months, Congress and President Bush did virtually *nothing*. They cut the anticipated increase in federal spending; they did not cut spending. They raised a few taxes so that if you are a heavy drinker and a heavy smoker who earns over $56,000 per year, you will notice their efforts. But until all Americans feel the pain, there will be no progress on this front.

The economies of Western Europe, the new united Germany and Japan continue to show strength, which will help our exporting industries. Many visitors from these nations will use their dollars gained in trade from the United States to buy vacations here because prices in the United States will seem low due to the decline in the dollar. These German, Dutch, Spanish, Japanese, French and other visitors could see America in rental motorhomes, and they may become sales targets for exports of RVs in the future.

This recession may be a good thing – if it shakes America out of the sluggishness of the past few years. Adversity energizes. Perhaps it will push us to resume our national quest for a better life rather than just celebrating our past successes. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV BUSINESS

C8950-2

JANUARY 7, 1991

7 RVDA Plans Technician Certification

7 RVIA Opens Membership To MPVs

9 Chassis Makers See Growth For Diesels

9 Kohler Co. Debuts Generator

10 Triple E, Chupp Plan Towables Enterprise

10 Delaney Named New President At Dometic Corp.

10 Automatic Equipment Buys Hewitt Line

11 Dodge Ups Tow Ratings For Diesel Pickups

11 Coleman Co. Announces Promotions

Industry Remains Upbeat at Louisville Show; New Diesel Motorhomes Highlight Offerings

What some had expected to find at the 28th Annual National RV Trade Show was an industry retreating in the face of unsettling economic times. What they found instead at the Nov. 27-30 exposition held in Louisville, Ky., was an industry very much on the attack.

A business-as-usual tenor prevailed at the recent National RV Trade Show in Louisville, Ky., where exhibitors displayed an impressive array of new products, and RV makers introduced their 1991 models.

To be fair, attendance figures indicated some bonafide slippage in dealer interest at this year's RVIA-sponsored national trade show.

Dealer attendance numbers, totaling about 3,902 personnel, were down about 13% from 1989, according to Mike Hutya, RVIA vice president of meetings and shows. Total attendance of 8,486 was off about 9% from 1989.

But the general rate of business activity, the wide array of new products introduced, and the business-as-usual tenor of many dealers, suppliers and manufacturers seemed to indicate that these are neither the best nor the worst of times for the RV industry.

Asked to rate this year's Louisville Show, the key trade event of the year for the RV industry, on a scale of one to 10, several manufacturers gave it a six. "All dealers are being conservative," noted Tim Howard, vice president and general manager for the Overland Division of Mallard Coach Co. Inc., Nappanee, Ind.

"Even the optimistic guys are being conservative," he added. "And, I think, the market is such that the product has got to be right. Dealers are buying only what they're dead sure is going to sell."

RV manufacturers have responded to the times with an impressive array of new 1991 models.

Spurred by the chassis and engine manufacturers, which have been developing new rails with refined diesel engines, and the general public, which seems to swing to fuel-efficient diesels any time there's a concern over gasoline prices, RV makers have developed an array of new forward- and aft-diesel-powered Class A motorhomes targeted at a variety of price points. *(See related story, "Chassis Makers See Long-Term Growth for Diesels," on page 9.)*

The demand for diesel power, RV builders insisted, is measurable. "In a survey we did last summer, we found that 50% of the respondents wanted a diesel engine," explained Don Roberts, vice president of sales for Sportscoach Corp. of America, Elkhart, Ind.

"They thought that the quality problems we had with the diesels in the early '80s had passed," he continued. "The problems scared a lot of people off from the diesels. But, because of the advent of the new Cummins and Caterpillar engines, people seem to have more faith now. Plus, the diesels' fuel economy is much better now."

Accompanying the move to diesel is a trend toward smaller, diesel-pusher type of coaches, in part because of the recent introduction of a new EC2000 rear-engine rail from Spartan Motors Corp., Charlotte, Mich.

"There definitely has been diesel power for decades," noted Ron Frank, board chairman of the Xplorer Motor Home Division of Frank Industries Inc., Brown City, Mich. "But for small diesels now, it is new thinking and new technology, partly made possible by the people who make the diesel engines."

One of the more visible, new diesel products at Louisville was the full-size, bus-style American Eagle Class A pusher from Fleetwood Enterprises Inc., Riverside, Calif.

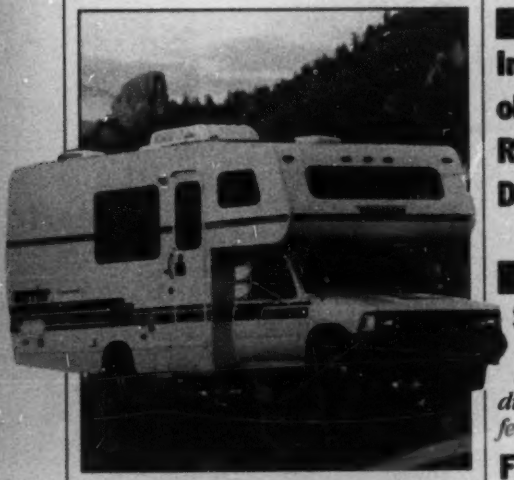
The upscale Eagle, retailing for a suggested base price of $179,900, represents a logical progression in styling from Fleetwood's upgraded 1991 Limited Class A. It is powered by an 8.3-liter Cummins engine mated to a 26,000-pound gross vehicle weight (gvw) Spartan "raised-frame" rail affording cavernous pass-through storage.

The 38-foot, side-aisle Eagle's

continued on page 7

RV BUSINESS

VOLUME 41, NUMBER 19 JANUARY 7, 1991 TWO DOLLARS



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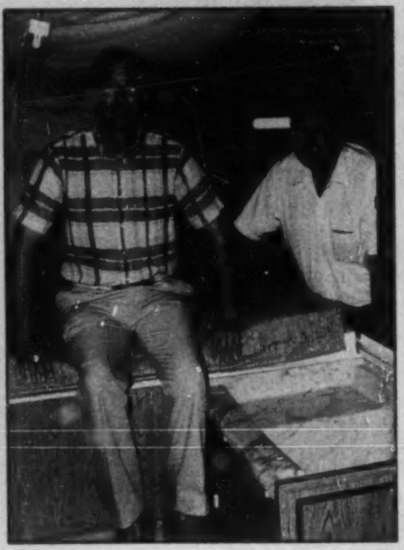

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The tropical beaches of Cancun, Mexico, will provide the beautiful setting for Fiesta '91, the first National Open House sponsored by distributor Stag-Parkway Inc. This quick overview of the Jan. 14-17 show features an exhibitor list, and calendar of events.

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This guide to the Florida RV Trade Association's annual Tampa, Fla., RV show, Jan. 16-20, includes floorplans and exhibitor lists for attendees touring indoor and outdoor exhibits at the 14-acre Florida State Fairgrounds.

Micros Rebound 28

Free-trade zones, an aggressive marketing push by Winnebago Industries Inc. and the economics of recession and higher fuel prices are working together to boost micro-minimotorhome sales back toward a 3,000- to 4,000-unit-a-year market niche.

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DAB PERSPECTIVE

SERVICE, FIFTH-WHEELS AVOID SLIDE

GAYLORD MAXWELL

October reports from members of our Dealer Advisory Board (DAB) clearly indicated the seriousness of the RV industry's difficulties in functioning in an oil-crisis atmosphere. The decline in sales and profits was becoming more pronounced and, unless a reversal should occur, the tense situation as 1990 ended could get a great deal worse.

Overall, the DAB was down 17% from last year in dollars taken in during the month. Two-thirds of the members were off the mark from October of 1989. The new-unit total was down significantly, and even used units were off 10%. Four of the five RV types were down; three used types fell.

Probably more significant than the above gloomy reports was the fact that bottom lines were bad. There were more poor marks in that category than we have seen in a decade. New inventories were rated higher than normal; the supply of used units also was a bit high; profits were weaker. Lot traffic was rated below normal.

Even in the worst of times (which definitely wasn't the case in October), there's usually some good news. It is important to note that one-third of the DAB took in more dollars in October than they did during October of 1989. One RV type (fifth-wheels) actually was up in new-unit sales; and the service business was good for most of our members. Fortunately, most dealers were headed for a good year before the Persian Gulf crisis erupted, so the year-to-date situation wasn't all that bad.

Motorhomes:

Understandably motorhomes represent "gas hogs" more than any other RV type and, therefore, suffer most when concerns about gas prices are great. After suffering from weak sales all year, motorhome dealers were hurting badly in October. With only one exception, all DAB members who sell that type were down from October 1989. (The exception was that discount merchandise was doing well.) Both new- and used-unit sales were suffering. Fortunately, grosses were fair to good.

> *It is important to note that one-third of the DAB took in more dollars in October than they did during October of 1989.*

Year-to-date, the numbers were better, but they still were the worst of any RV type.

At best, motorhome dealers appear to be in for a rough year.

Travel Trailers:

After a very welcome upswing in the first half of the year, it was regrettable that the tide definitely turned the other way. Most DAB members who stock this RV type were down in October; however, four of them managed to eke out two to three new units more than they did in October of 1989, and the total decline wasn't as great as that for some other RV types. Profits were generally rated fair or good, although there were several poor marks. Used sales were off a bit more than new, and profits generally showed weaker than normal.

Year-to-date, travel trailers were still running ahead of last year in both new- and used-unit sales. However, the gap was closing fast. As of the October reporting, the future did not look very bright.

Truck Campers:

The figures for new-unit sales in October were somewhat misleading due to the small numbers and the fact that two dealers who normally sell several units were blank for the month. However, dealers of this type were struggling, too. Used sales continued their excellent upswing. Profit ratings were quite mixed: half

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	OCT. 1990	OCT. 1989	% CHANGE	1990	1989	% CHANGE	OCT. 1990	OCT. 1989	% CHANGE	1990	1989	% CHANGE
MOTORHOMES	79	128	−38	1,050	1,339	−21	100	114	−12	[illegible]	1,279	− 3
TRAVEL TRAILERS	69	83	−17	1,132	1,021	+11	62	77	−19	987	976	+ 1
TRUCK CAMPERS	10	21	−52	266	313	−15	12	8	+50	197	143	+38
CAMPING TRAILERS	22	28	−21	890	883	+ 2	12	12	0	290	317	− 9
FIFTH-WHEELS	35	29	+21	487	426	+14	30	29	+ 3	274	276	− 1

	FOR MONTH			YEAR-TO-DATE		
	OCT. 1990	OCT. 1989	% CHANGE	1990	1989	% CHANGE
SALES VOLUME	$9,765,000	$11,749,000	−19	$122,354,000	$132,575,000	−8
TOTAL UNIT SALES	431	529	−19	6,824	6,973	−2
NEW-UNIT SALES	215	289	−26	3,841	3,982	−4
USED-UNIT SALES	216	240	−10	2,983	2,991	−1

The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McIlwee,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Leonard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipe,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

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DAB *continued*

good, half poor.

These trends were expected to continue.

Camping Trailers:

During the months when sales of this RV type are at their lowest, comparisons of monthly figures aren't very reliable. However, there clearly was a drop in new-unit sales. Profits were almost unanimously on the low side. Used sales were the same as last year.

Year-to-date, new-unit sales were still a bit ahead of last year, but, as with travel trailers, the gap was closing fast.

In a poor economy, blue-collar workers often are the hardest-hit. Unfortunately, they also are the fold-down buyers.

Fifth-wheels:

Fivers were the only "up" category for new units in October. For some reason, buyers of this type were still active, as was reflected in both new and used categories. Another good report: Profits were generally rated good. The year-to-date increase in new-unit sales was the best for any type.

The only explanation for the upswing in this type is that retirees who are looking to purchase travel homes are still very much in the marketplace. Δ

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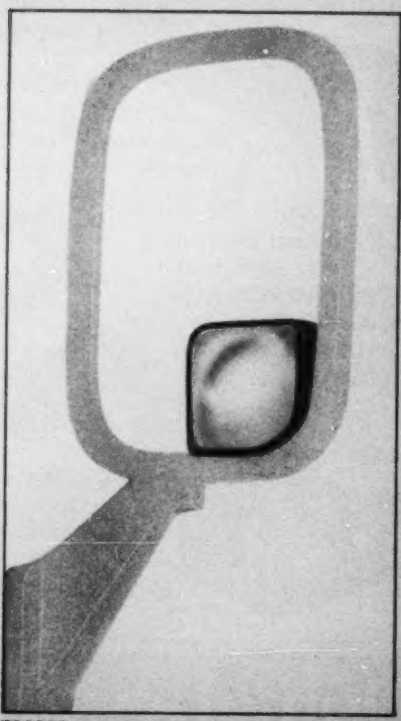

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RV BUSINESS

JANUARY 21, 1991

RVIA's DeWolf Sees Upswing to Begin in Late '91

No longer is the worst-case scenario considered the most likely outcome of the current economic downturn by many U.S. economists. Most now seem to be anticipating a rather shallow recession. In fact, 51% of the economists surveyed by the National Association of Business Economists in late 1990 predicted the start of a recovery by this April.

Yet, the grand majority of economic fortunetellers still harbor a fairly conservative view of 1991. And RVIA's own consulting forecaster, John W. DeWolf, is no exception. DeWolf, who foresees a year-end 1990 RV shipment setback (excluding van conversions) of just over 5% from 195,300 units in 1989 to 185,000 units in 1990, is forecasting an additional 8% dip in 1991 to 169,000 units. He foresees a towable dropoff of about 7%, with motorhomes off another 13% to 14%, in 1991.

Not until 1992 does DeWolf, who looks for the beginning of a turnaround in late 1991, expect the industry to start reaping the real benefits of an upturn. And, even then, he anticipates a gradual upswing, with 1992 shipments to dealers of only about 177,000 units.

DeWolf has continually dialed back his outlook for 1991, a year for which he and other economic analysts once held bright hopes. The Persian Gulf crisis is to blame, he says. "I would think that this forecast is probably pretty accurate," DeWolf told *RVB*. "It certainly isn't going to be much better than that,

continued on page 7

New Supplier Products Unveiled

RV industry suppliers, not unlike their manufacturing counterparts, are aggressive in their stance toward the 1991-model year. That much was evident at the recent National RV Trade Show in Louisville, Ky., where suppliers introduced a wide spectrum of new OEM and aftermarket products—some of

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OEM and aftermarket debuts at the Louisville show included (clockwise from right) ebony-colored bath fixtures from SeaLand Technologies, Spartan's upgraded EC-2000 diesel chassis, Carefree of Colorado's full-view patio and window awnings, Onan's Marquis 7000/5000 generators with built-in governors and Kohler's Confidant 4- and 5-kw gensets.

KOHLER
CONFIDANT V

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RV BUSINESS

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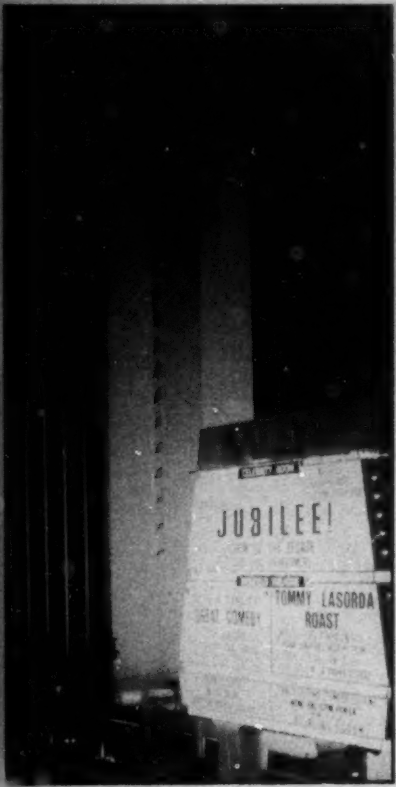

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Drawing buyers—not just browsers—is the challenge for dealers conducting their own shows. Veteran retailers report successful techniques for targeting show promotion to the appropriate audience.

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Attendees will find a calendar listing educational seminars, discussions and meetings, accompanied by a list of exhibitors in this convention and exposition guide.

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THE STRANGE CASE OF OCTOBER

MORTON J. MARCUS

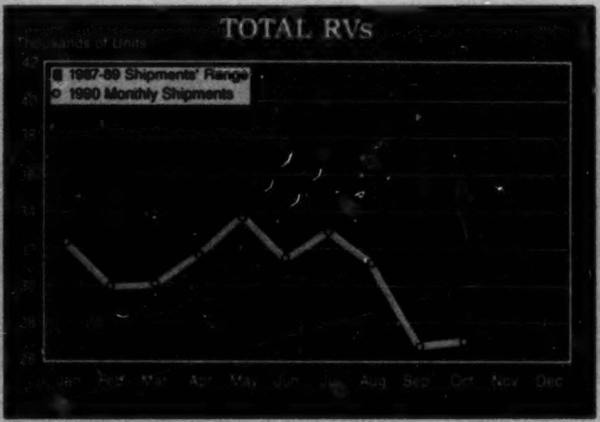
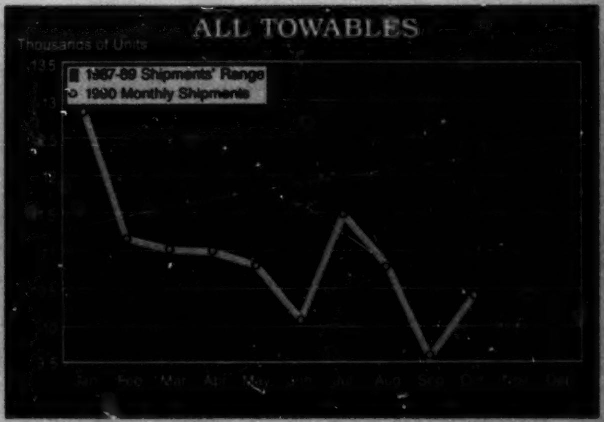


Figure 1



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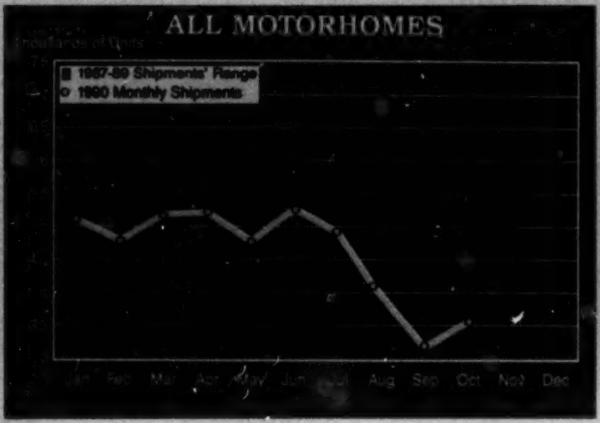

Figure 3

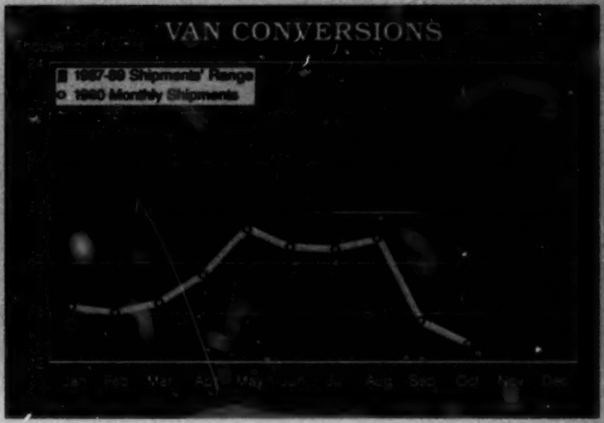

Figure 4

Every October orange and black decorations, like some massive pep rally for a football team, festoon the streets and commercial establishments of America. Evil creatures are celebrated. The month ends with small children parading through the streets intent on inflicting property damage on their neighbors. Only a cultural perversion prevents massive insurance claims and juvenile arrests. We keep the young barbarians in line through the payment of tribute (candy, apples, teeth-destroying chewing gum, and other delicacies).

Clearly, October is a time for surprises. The RV industry surprised itself this past October. September had been a frightening month. Shipments fell by nearly 16% from August and everyone was braced for another decline. Gasoline prices were rising and uncertainty over the situation in the Mideast was at a boil. Reservists were joining regular military personnel from all over the world to provide a Desert Shield. It was a time to expect the worst.

But the RV industry did not play by the book. Reasonable people might have expected shipments to fall as retail inventories would be shaved to prepare for the uncertain months ahead. No such thing happened.

After adjustment for normal seasonal factors, total RV shipments in October stood still, as seen in Figure 1. Shipments came in at 26,820 for the month, just a hair ahead of the 26,790 units reported for September. Although more than 18% below the same month a year earlier, this month-to-month consistency was surprising. It was as though the industry, having hit the wall, stabilized immediately with no further adjustment to the adverse conditions brought on by the Iraqi invasion of Kuwait.

Towables actually improved from September to October by nearly 1,000 units and were back in the general range preva-

GRAPHICS: DIGITAL LIFE

lent from March through August of 1990. *(See Figure 2.)* Motorhome shipments also gained, albeit slightly, from September to October. While September figures showed these units down 25% from the preceding year's levels, that deficit was cut to 20% in October 1990. *(See Figure 3.)*

Van conversions, by contrast, continued the decline of September 1990, losing close to 1,100 units. *(See Figure 4.)* This pushed van conversions down to 25% below the September 1989 level. Only this segment of the market performed as might be expected.

The Detailed View

Despite the fact that total shipments for 1990 are down from 1989 levels, all types of towables have expanded market share in 1990. *(See Figure 5.)* These gains have been at the expense of motorhomes and van conversions about equally.

In October, only park models had any serious decline among towables (down 24% from September 1990). Other types of towables showed either no significant decline or even substantial advances from September. *(See Figure 6.)* Folding camping trailers jumped by nearly 900 units in the month, a 42% rise. On smaller volume, truck campers and fifth-wheels both gained better than 12% from September levels.

Year-to-date figures for 1990 show towables down less than 2% with truck campers up slightly and no type of unit off by more than the 5.2% of park models. Thus, towables hold on as the strongest portion of the RV market in a year of downtrends.

Motorhomes and van conversions are a very different story. Motorhomes are down by nearly 12% (6,100 units) for the year and van conversions have lost 8% (13,400 units). Together these two sectors account for 92% of the lost volume within the industry during 1990.

Inventory Location

Sometimes inventory is moved to retailers by overly enthusiastic manufacturers who anticipate increased sales and want to have as much product as close to the consumer as possible. At other times, inventory is pushed on retailers to get it off the manufacturers' lots.

Where should inventories be maintained in uncertain times? Note that this does not ask the question, "Who should bear the costs of that inventory?" That cost can be shared. The issue is "Where should the product be located?" When voiced in this fashion, the answer seems clear: "As close to the final consumer as possible."

When floor traffic is slowed, it is important for the retailer to have every possible advantage in making a sale. Product variety makes it possible for the buyer to see and compare alternate choices. No picture or schematic in a catalog is a substitute for a walk-through. Choice becomes a selling strength. The dealer needs to be able to resolve questions and keep the transaction's period of indecision to a minimum. Generalized, diffuse political and economic uncertainty are working against the sale. A delay in examining a unit's features becomes another reason for the purchaser to delay making a conclusive decision.

For both the retailer and the consumer, a full line of product, in all its variations, increases the probability of a sale. This principle suggests that retailers should maintain a full inventory with regard to variety. It does not suggest that multiples of everything should be in stock. Even keeping units which move very slowly on the lot has a value, since the consumer's act of rejecting a model is a step toward finding the product desired. To the extent that sales by the dealer are also important to the manufacturer, both have an incentive to share the cost of inventory diversity.

The shipments of October, at about the same level as those of September, may suggest that wise behavior would be to increase consumer choice in uncertain times. October may not have been a very strange month after all. However, if sales were slowed dramatically, we may expect to see November and December shipments suffer as inventory levels are kept steady. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

PERCENT MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.12	22.82	1.30
Conventional	14.36	13.49	0.88
Park Models	1.97	1.95	0.03
Fifth-wheels	7.78	7.39	0.39
Folding Camping Trailers	8.72	8.44	0.28
Truck Campers	2.71	2.53	0.18
TOTAL TOWABLES	35.55	33.79	1.76
Motorhomes:			
Class A	8.31	9.09	–0.78
Class B Van Campers	1.64	1.28	0.36
Class C:	4.95	5.42	–0.47
Minis	3.84	4.46	–0.62
Low Profiles	0.17	0.38	–0.22
Micro-minis	0.95	0.58	0.36
TOTAL MOTORHOMES	14.90	15.79	–0.89
Multiuse Van Conversions	49.55	50.42	–0.87

Percentages may not add to total because of rounding.

Figure 5

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

Type of Units	Oct. '90	Change from Sep '90 Number	%	Year-to-Date 1990	1989	Change Number	%
Travel Trailers:	6,580	-10	-0.1	74,270	75,120	-850	-1.1
Conventional	3,900	-100	-2.4	44,230	44,390	-160	-0.4
Park Models	490	-150	-24.0	6,080	6,410	-330	-5.2
Fifth-wheels	2,190	240	12.4	23,970	24,320	-350	-1.4
Folding Camping Trailers	2,970	880	42.0	26,860	27,780	-920	-3.3
Truck Campers	[illegible]	100	12.3	8,340	8,320	20	0.2
Motorhomes:							
Class A	1,830	-20	-1.0	25,570	29,900	-4,330	-14.5
Class B Van Campers	420	20	3.9	5,080	4,220	850	20.1
Class C:	1,330	160	13.3	15,250	17,850	-2,610	-14.6
-Minis	950	-20	-2.3	11,820	14,670	-2,850	-19.4
-Low Profiles	0	0	0	510	1,260	-760	-59.7
-Micro-minis	380	180	87.2	2,920	1,[illegible]20	990	51.[illegible]
Multiuse Van Conversions	12,780	-1,090	-7.9	152,570	165,920	-13,3[illegible]0	-8.0

Figure 6

SEPTEMBER SALES REFLECT MARKET SOFTNESS FOR MOTORIZED, TOWABLES

THOMAS WALWORTH

September year-to-date retail sales figures showed the motorhome industry having sold 37,775 units. This was a 15.5% drop when compared to the 1989 figure for the same nine-month period. The RV-trailer market showed 92,296 units sold year-to-date, a 2.7% decline when compared to figures for the same period of 1989.

Overall sales for the month of September were off 36.2%, representing 1,753 units, when compared to September of 1989. Figure 1 lists the seven national regions, ranked by their percent of change in motorhome sales in September 1990 compared with the same month of 1989.

In the East North Central region the state of Wisconsin topped the September rankings. Delaware, in the South Atlantic region, showed the largest decline.

Year-to-date numbers show the motorhome market down 15.5%, which represents 6,924 units. Figure 2 ranks the national regions by their percent of change between 1990 and the same period of 1989.

The South Central region shows the state of Alabama with the largest gain. New Hampshire trailed in the Northeast, experiencing the largest decline in that region.

The RV trailer sales story for September showed a decline of 11.9% from the September 1989 figures, which equals 1,090 units. Figure 3 ranks the seven regions of the country by their percent of change in September trailer sales compared with the same month of 1989.

In the East North Central region, the state of Wisconsin again topped the rankings. Utah trailed the pack in the Mountain region, with the largest decline.

The RV trailer market year-to-date figures show a drop of 2.7% or 2,579 units. Figure 4 lists the regional rankings based on the percent of change in the first nine months of 1990 compared with that same period in 1989.

Leading off with the largest increase in the South Central region was the state of Alabama. In the Northeast region, New Hampshire showed the largest decline.

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ALL RV-TRAILER SALES BY REGION
SEPTEMBER 1990 YEAR-TO-DATE
TOTAL UNITS SOLD
17,000 to 18,000
15,000 to 17,000
13,500 to 15,000
7,800 to 13,500
0 to 7,800

ALL MOTORHOME SALES BY REGION
SEPTEMBER 1990 YEAR-TO-DATE
TOTAL UNITS SOLD
7,000 to 10,000
4,300 to 7,000
3,400 to 4,300
2,300 to 3,400
0 to 2,300

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

GRAPHICS: DIGITAL LIFE

NEW LITERATURE/VIDEOS

SME's New Book Explains Uses of Powder Coating

The Society of Manufacturing Engineers (SME), in cooperation with the Association for Finishing Processes, of SME, has published a book titled *Powder Coating Applications* to help managers make smooth transitions from liquid coating to powder coating, and to help improve finishing operations once they are in place. Powder coatings are widely used in the appliance, automotive, and finishing industries and are rapidly expanding into other industries. Topics include: powder materials and their uses; pre-treatment equipment; application and recovery systems; curing and conveyor equipment; safety; as well as quality control and maintenance specific to powder-coating processes. Methods suggested are useful for finishers currently using or considering the use of powder coating. SME, P.O. Box 930, Dearborn, Mich. 48121-0930; (313) 271-1500, Ext. 629.

New Catalog Highlights U.S. Air Horns, Accessories

Hadley Products, a Grandville, Mich.-based manufacturer of horns, valves and compressors, now offers a 24-page catalog highlighting its full line of air horns and accessories. Hadley air horns are ideal for 4×4, RV, van, pickup, motorhome, crew cab or boat applications. Completely illustrated with photographs, selector charts and drawings, the catalog features air horn kits for vehicles with and without air brakes, as well as bell kits, snow and bug shields and service/repair kits. For a free catalog, contact Hadley Products, 2851 Prairie St. S.W., Grandville, Mich. 49418; (616) 530-1717.

Running Board Catalog For Truck and Van Owners

The Running Board and Ground Effects specialists designed a catalog "for truck and van owners who understand and demand quality." Extruded full-width running boards, fiberglass ground-effects-type running boards and extruded midi-width types are available. All three varieties are custom designed from extruded aluminum, Tread Brite and fiberglass. Available in Brite or Black finish, a three-amber-light system is offered on all running boards. For a free copy of the Road Quest Running Board/Ground Effects catalog, call (219) 293-2224 or (800) 872-4360. Δ

AT RETAIL *from page 20*

MOTORHOMES, SEPTEMBER '90

Sept. '90 Rank	Region	% of Change From Sept. '89	Aug. '90 Rank
1	E.N. Central	−21.2	7
2	Mountain	−28.0	2
3	Pacific	−29.8	5
4	S. Central	−33.7	1
5	W.N. Central	−39.8	3
6	Northeast	−44.0	6
7	S. Atlantic	−55.1	4

Figure 1

MOTORHOMES, YEAR-TO-DATE

Sept. '90 Rank	Region	% of Change Year-to-Date	Aug. '90 Rank
1	S. Central	− 8.7	1
2	Mountain	−12.8	4
3	Pacific	−12.9	5
4	W.N. Central	−13.1	2
5	S. Atlantic	−16.2	3
6	E.N. Central	−70.8	6
7	Northeast	−24.1	7

Figure 2

RV TRAILERS, SEPTEMBER '90

Sept. '90 Rank	Region	% of Change From Sept. '89	Aug. '90 Rank
1	E.N. Central	− 0.3	5
2	Pacific	− 3.4	7
3	S. Central	− 4.7	4
4	W.N. Central	−13.1	1
5	Northeast	−20.6	6
6	S. Atlantic	−23.6	3
7	Mountain	−24.6	2

Figure 3

RV TRAILERS, YEAR-TO-DATE

Sept. '90 Rank	Region	% of Change Year-to-Date	Aug. '90 Rank
1	S. Central	9.9	1
2	Mountain	4.6	2
3	Pacific	2.3	3
4	W.N. Central	− 1.3	4
5	E.N. Central	− 5.6	6
6	S. Atlantic	− 6.2	5
7	Northeast	−16.2	7

Figure 4

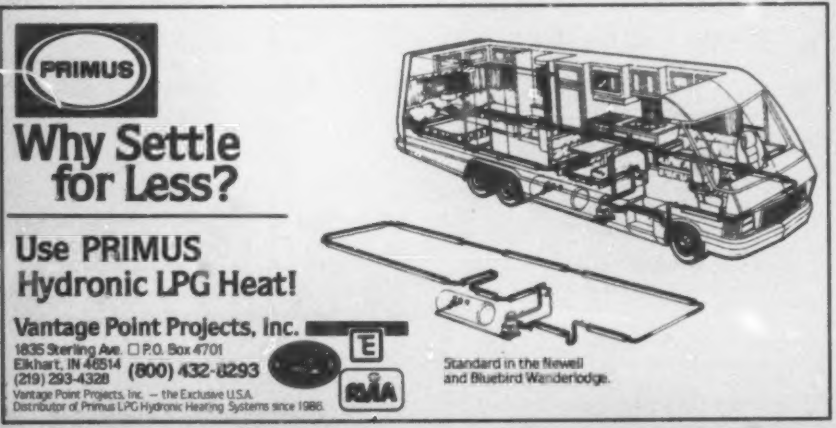
As everyone connected with the RV industry is painfully aware, the motorhome and RV trailer sectors are in a slump, with motorhomes getting hit the hardest. This is primarily due to the uncertainty in the Mideast and the resulting economic woes.

The motorhome industry also may be suffering from improper market mix for the consumer, considering new demand for the down-sized and diesel-powered motorhomes. If a dealer's inventory is filled with gas and full-size units, the dealer will likely experience the slump more.

On a more positive note, the RV trailer market seems to be gaining new sales in the lower price range.

The RV industry is poised for a large comeback, once the world crisis is under control. Dealers and manufacturers should be monitoring today's market for tomorrow's trends. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which reports retail statistics to the RV industry.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RV BUSINESS

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RVDA Proposes Model Dealer-Mfgr. Laws

After getting the nod from its Board of Directors, RVDA announced the association has approved a Model Franchise Agreement and a Model State Statute on dealer-manufacturer relationships.

According to Bob Strawn, executive vice president of RVDA, the two initiatives seek to address longtime "burning issues" in the industry that must be resolved if RV dealers and manufacturers are to take advantage of expected RV market growth in the next decade. "While these measures seek to resolve the problems, however," Strawn emphasized, "we want to make it clear that in adopting the proposals RVDA remains committed to resolving these issues in a manner that both parties – dealers and manufacturers – will find equitable."

Under the model franchise agreement as drafted by the association, dealers and manufacturers will be offered a contractual means for resolving differences. Specifically, the agreement defines proper action on such matters as territory protection, cancellation, alteration, change of dealership and coercion. It also sets guidelines for the notification of dealer termination, repurchase of inventories or other items, warranty obligations, arbitration agreements, damages and injunctive relief, temporary injunctions and succession upon death.

While the model legislation approved by the RVDA board deals with the same basic issues as the franchise agreement, the initial reaction from at least one member of the manufacturing community is that the legislation is "much more ominous" and "appears to blatantly favor dealers' interests." There also is concern among manufacturers that some dealers may be ready to move ahead immediately with efforts to get the model legislative measure adopted in their state, without first making an effort to negotiate some elements with the manufacturer or manufacturers they represent.

Addressing that concern, Wayne Mertes, president of National RV, Perris, Calif., notes, "The RVDA has always been a very responsible organization and I would agree that there is probably room for improvement on both sides. However,

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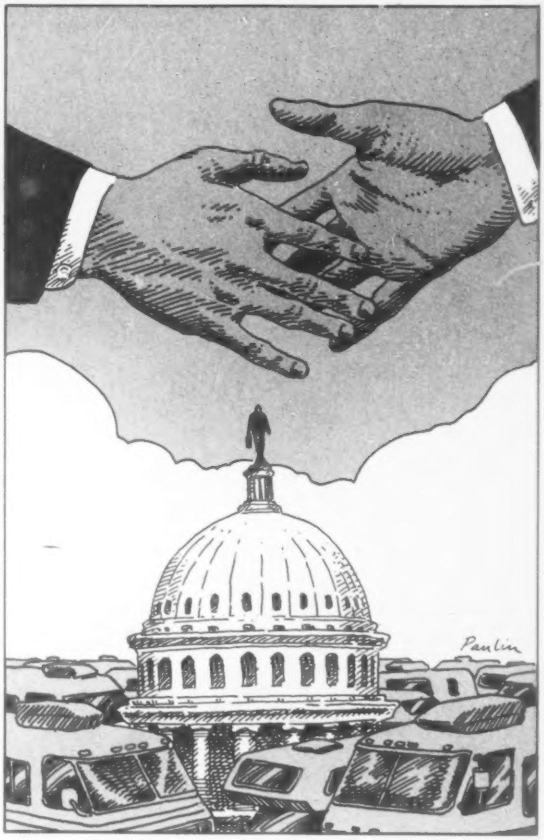

FRANCHISE LEGISLATION: In proposing the model agreements, RVDA's resolution has a goal of equitably addressing issues which range from the repurchase of inventory to territory protection.

Fleetwood to Enforce Patents

Imitation may be the sincerest form of flattery in many endeavors. But not in the RV business, say executives of Fleetwood Enterprises Inc., the RV industry's market-share leader in both towable and motorized products. So many companies have been following Fleetwood's lead in product development in recent years, they contend, that the Riverside, Calif., firm has begun taking a more aggressive stance toward

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Despite belt-tightening trends, cutting employee benefits can be risky business. Experts offer suggestions for reducing costs without slashing employee confidence.

Heart of the Matter 26

Personal experience leads an RV-industry heart-attack victim to offer a positive watchword to his peers. Warning signs, precautionary measures and beneficial lifestyle changes are included.

The Coast Connection 31

Billed as an "island in the desert," the Tropicana Hotel in Las Vegas, Nev., is the setting of Coast Distribution System's 1991 Dealer Advantage Buying Show. This show guide provides a complete calendar and description of special events as well as a show floorplan.

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SALES UP, THOUGH PROFITS SLIP

GAYLORD MAXWELL

Somewhat surprisingly, November RV sales reported by RVB's Dealer Advisory Board (DAB) weren't all that bad. Especially encouraging was the fact that what appeared to be a sharp downturn in October leveled out considerably. Although dealers generally found the going tough, disaster was certainly not imminent.

As we often discover, there's bad news along with the relatively good news. Sales for the month weren't too far behind those of last year, but profits were poor.

Sales volume for the DAB as a group was up from the previous November. Forty percent of the DAB reports topped last year's mark. One RV type was actually up in new-unit sales and three used categories were in the plus column. The total number of units sold during the month was only slightly smaller than last year's figure.

Although dollars and units figures weren't bad, profits were. In fact, November's report showed the poorest ratings for bottom lines that we can recall ever having seen. Most dealers were willing to take deals that they ordinarily would not have, in order to lower their inventories. One DAB member who took in far more dollars than he did in November 1989 reported that some of his deals were losers, but he felt he had to cut flooring expenses.

According to our members, the service-and-accessory business was quite poor in November – not an unusual condition for that month, however.

About half of our DAB members rated their inventories high. Both lot traffic and the percentage of new buyers were down.

Year-to-date, the picture, although far from bright, was not too grim. Dealers took in fewer dollars and delivered fewer units than they did during the same period in 1989, but the declines were modest. The fact is that three RV types were up in new-unit sales (all towables) and three were up in used sales.

Motorhomes

After the severe drubbing our DAB motorhome dealers took in October, November's slight decline was good news. Although profits were generally on the weak side, it was heartening to find that there were buyers. However, the picture presented by our DAB is somewhat distorted by the fact that one large member had spectacular sales of factory discount merchandise. Sales of used units picked up, as well.

Profits were generally weak. Over half of the DAB members who sell motorized RVs rated November profits poor or fair.

Year-to-date, new units were down the most for any RV type. However, used sales were almost identical with those of the comparable period of 1989.

DAB reports showed it was a buyer's market for motorhomes, and this isn't likely to change for awhile.

Travel Trailers

The travel trailer sales decline for November was less than it was in October, but it was obvious that the good start this RV type got early in the year had fallen flat. And, as with motorhomes, the total drop was softened only by doubled sales by one large dealer's discount buying and selling. Actually 16 of the 18 DAB members who sell this type were down from November 1989 in both new- and used-unit sales. Profits were down, too, with most members reporting fair or poor.

Year-to-date, the figures still looked good. The early months of 1990 saw an upsurge in sales that was still keeping the category in the plus column, but declining. Unfortunately, there's no reason to believe a change is in the near future.

Truck Campers

As with motorhomes and travel trailers, sales of new units were down, but not nearly as drastically as in October 1990. One strong camper dealer member of our board managed to top their November 1989 sales. Used sales were off by only one unit. Profits were generally rated poor.

Year-to-date, the new-unit figures were still in the minus column. However, used units have done very well overall.

Change is not likely.

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	NOV. 1990	NOV. 1989	% CHANGE	1990	1989	% CHANGE	NOV. 1990	NOV. 1989	% CHANGE	1990	1989	% CHANGE
MOTORHOMES	79	85	− 7	1,137	1,437	−21	85	79	+ 8	1,340	1,357	−1
TRAVEL TRAILERS	54	61	−11	1,186	1,082	+10	45	58	−22	1,032	1,034	< −1
TRUCK CAMPERS	13	15	−13	279	328	−15	7	8	−13	184	151	+22
CAMPING TRAILERS	7	14	−50	905	891	+ 2	7	4	+75	297	313	− 5
FIFTH-WHEELS	38	27	+48	517	450	+15	25	19	+32	305	296	+ 3

	FOR MONTH			YEAR-TO-DATE		
	NOV. 1990	NOV. 1989	% CHANGE	1990	1989	% CHANGE
SALES VOLUME	$9,590,000	$9,107,000	+5	$131,945,000	$141,714,000	−7
TOTAL UNIT SALES	360	370	−3	7,182	7,339	−2
NEW-UNIT SALES	191	202	−5	4,024	4,188	−4
USED-UNIT SALES	169	168	< +1	3,158	3,151	< +1

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McMann,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

DAB *continued*

Folding Camping Trailers

Normally, the folding-trailer business goes to pot in November. The past November was extra normal. New-unit sales were only half what they were in November of 1989, but the numbers were so low that they aren't significant. Ditto used units.

Year-to-date, the picture was still positive – up a few units from last year. Even used sales were lagging only slightly.

Most of the business in fold-downs is done by relatively few dealers who are strongly oriented and dedicated to that RV type. They work extra hard at selling their product.

Fifth-Wheels

Fivers were the very clear winner among the RV types in 1990. November saw a continuation of the upward trend. Only two of the 15 DAB members who stock them reported being down for the month. Although profits were rated the poorest they have been all year, they were still higher than any other category.

Year-to-date, both new- and used-unit totals were still ahead of last year – the only category to score that well.

Whatever the reason, it appeared that fifth-wheels were on a roll. ∆

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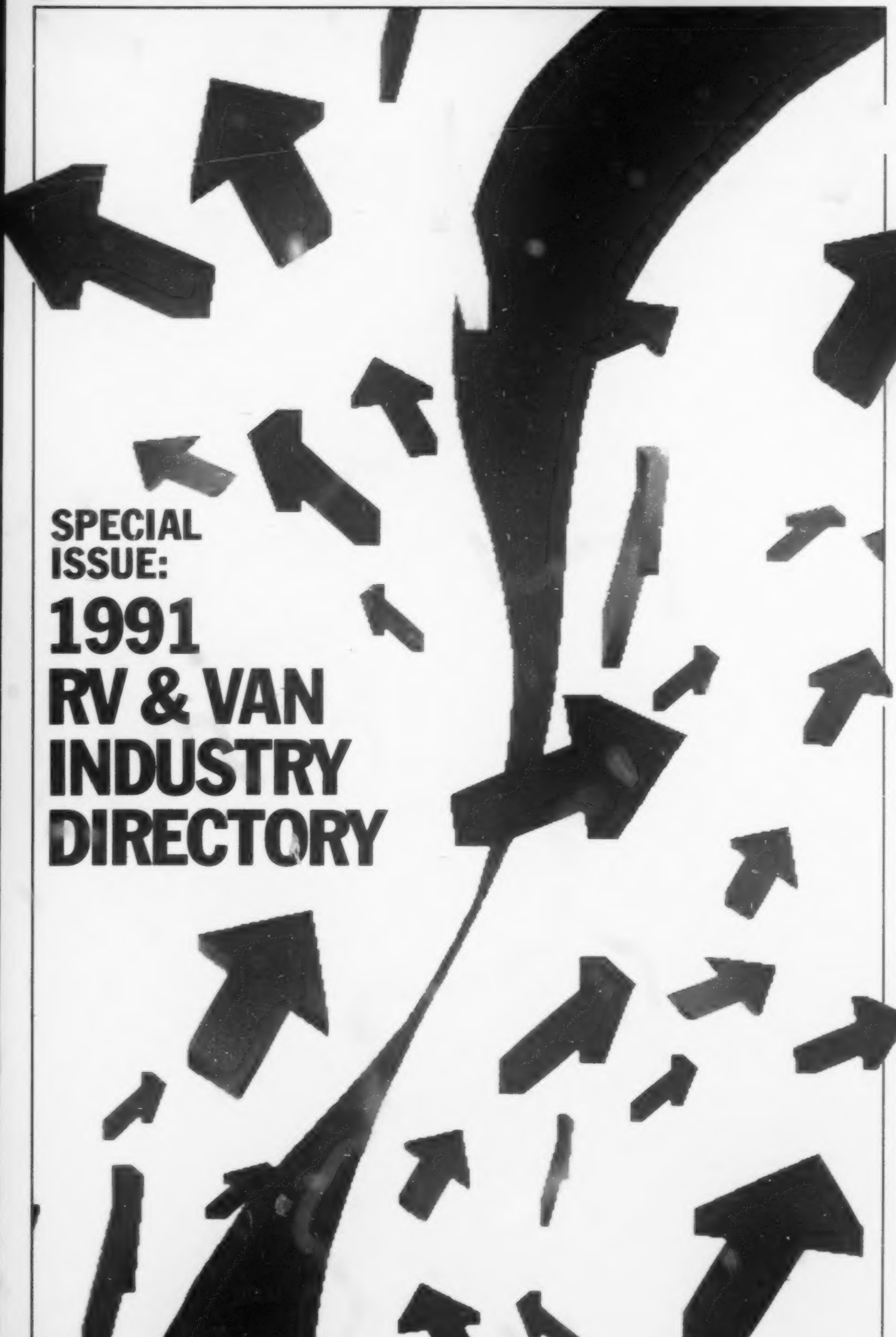

SPECIAL ISSUE:

1991 RV & VAN INDUSTRY DIRECTORY

- **RV Industry Almanac With An Overview Of Shipments And a 1991 RV Show Calendar**
- **Alphabetical Listings of RV Makers, Van Converters, Suppliers, Distributors, Manufacturers' Reps and Service Firms**
- **Product Lists For Suppliers**
- **RV & Van Conversion Product Lists, Brand Names**

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COVER GRAPHICS: ROY MONTIBON

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TRACKING RV SHIPMENT TRENDS

MORTON J. MARCUS

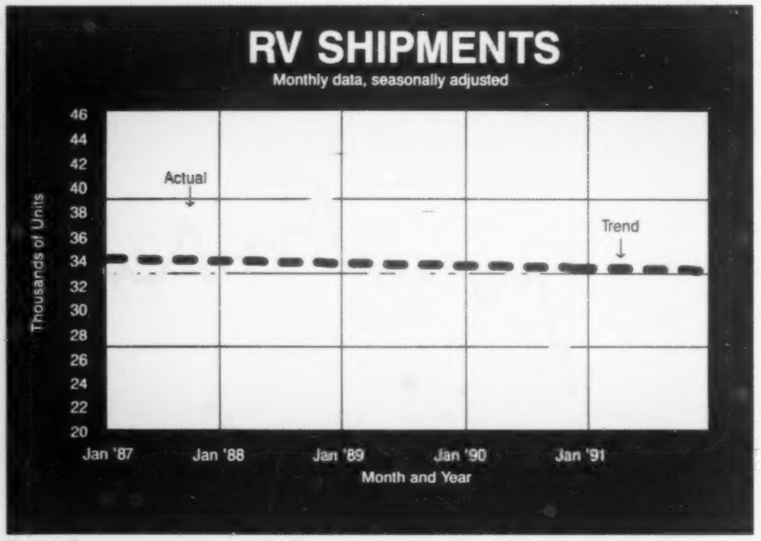
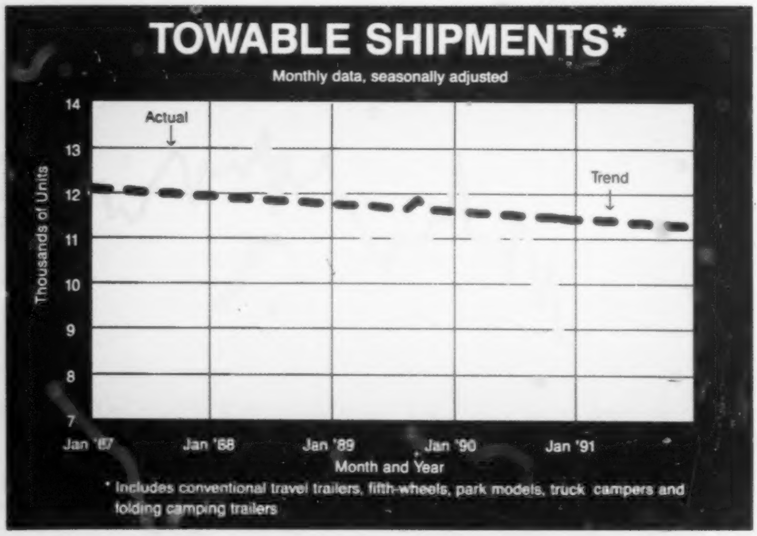


Figure 1



* Includes conventional travel trailers, fifth-wheels, park models, truck campers and folding camping trailers

Figure 2

This section presents an overview of RV shipments, month-by-month, from January 1987 through November 1990. The data shown are all adjusted for normal seasonal fluctuations. Also shown in figures 1 through 12 are trend lines for each type of RV. These trends are simple straight lines fitted to the data through 43 months to July 1990 and then extended to the end of 1991. Excluded from the trend, but shown as actual data, are the months since the occupation of Kuwait by Iraq, which resulted in a variety of economic disruptions. However, as will become clear, not all types of RV units were similarly affected by the dramatic events and uncertainties of late 1990.

Total RV Shipments

After a rising trend in 1987 and 1988, total RV shipments growth became flat to down. The last three months for which data were available at presstime – September, October and November 1990 – clearly showed the effect of the Middle East strife. The fluctuations in shipments during 1989 were minimal, and a narrow range of movement was also evident in early 1990 to mid-1990.

The trend line for total RV shipments shown in *Figure 1* has become, strangely, a goal for 1991. For every month since December 1989, shipments have been below that declining trend line. To regain that line alone would be an accomplishment. To shift the shipments trend to an upward direction would be a triumph.

Towables

Shipments of towables during the period shown in *Figure 2* peaked at 13,400 units in June of 1988. Since February 1989, towables have exceeded the 43-month trend only once. The downward movement of late 1990 appeared as a continuation of tendencies already in place. Recovery to the trend line from the depressed state of November 1990 would involve an increase of 2,700 units per month – a 31% advance.

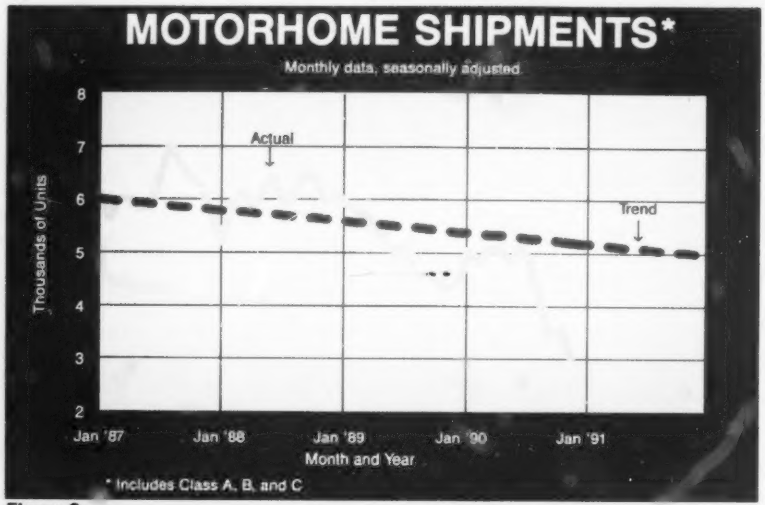


Figure 3

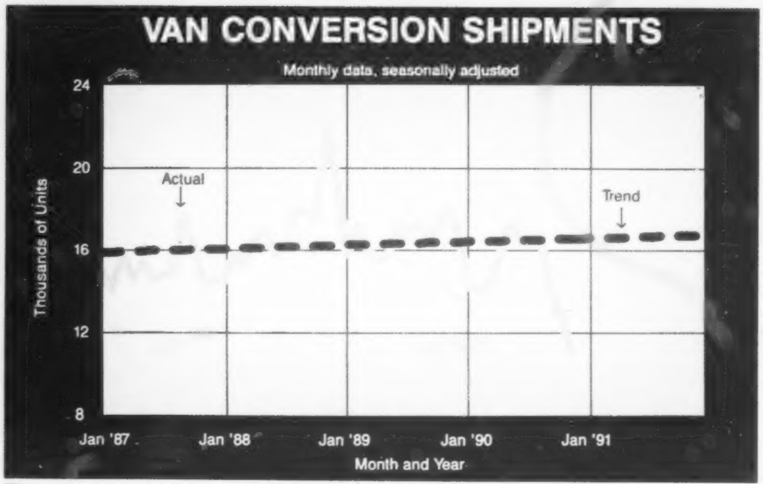


Figure 4

The Difference Between Trends and Forecasts

Trends, as used here, are simple statistical relationships between time and shipments. They are the result of laying a mathematical ruler over the data and drawing a straight line to fit the dots to minimize the divergence of each year's shipments from that trend line. Trends do not tell us why or how something happens. They reflect the past without reference to anything going on in the world. They are useful in giving a general direction. They help us see where we are going – if the road remains as it has been. The projections produced by these trends are the result of extending the line drawn with this statistical ruler. On the other hand, forecasts, as published quarterly in RV Business, *involve a combination of statistical analysis and professional judgment. They are based on the response of shipments to various factors in the economy (interest rates, for example) and require development of a complex econometric model that will indicate how shipments respond to these factors and how these factors are likely to perform in the future. Forecasts help us see where we are going – if we respond to the future as we responded to the past and if we are accurate in our anticipation of that future.*

Motorhomes

The peak for motorhomes was reached very early in the period depicted in *Figure 3.* In August 1987, total motorhome shipments reached 7,050 units (seasonally adjusted). From that point, they declined through 1987, stabilized in 1988 and then dropped in a fairly steady fashion in 1989. The record for 1990 was a tight, flat pattern until the Iraqi invasion of Kuwait drove petroleum prices upward and put considerable uncertainty into the minds of consumers. Recovery to trend from the low of November 1990 would be a 70% jump in volume.

Van Conversions

Contrary to the declining trends of towables and motorhomes, van conversions have shown a modest upward tendency in recent years. *(See Figure 4.)* Even if one disregards the dramatic spike of November 1988, a steady progression is evident. After a brief decline at the start of 1990, recovery to trend was evident by midyear. However, the economic trauma of 1990 struck van conversions as it had other types of RV. As of November, these shipments were down by nearly one-third from their trend line.

Conventional Travel Trailers

From a peak of 5,440 units shipped in February 1987, there has been an unsteady but unmistakable downward trend in the shipments of conventional travel trailers. *(See Figure 5.)* The valleys have deepened in successive declining movements, although the peaks have shown a less steady progression down. Were it not for the sudden strength of July 1990, the last three monthly observations recorded during the Persian Gulf crisis in 1990 could be seen as an extension of a yearlong slippage.

Park Models

Park models have had considerable variability around an unexciting upward trend during the past four years. Even the early stages of the Persian Gulf crisis did not alter the performance of shipments in this group. The single decline (in October) after the Iraqi incursion was not particularly dramatic. The decline of June was a far more significant drop. Contrary to other types of RV shipments, an increase of just 11% is needed for park models to regain the trend line of *Figure 6.*

Fifth-wheels

Before the Middle East problems, fifth-wheels had a dramatic fall-off from a generally improving trend shown in *Figure 7.* The sharp decline of June 1990 was nearly 15%. This exceeded any effect on these units by the concerns over oil prices or recession, which began two months later. The June 1990 drop was all but identical to the transitory July 1988 decrease, but no comparable recovery was evident from data available at presstime. In November 1990, shipments of fifth-wheels were still off the trend by the amount of their fall in June. Hence, their depressed state cannot be attributed to Mideast events, although those events may have impeded a recovery.

Folding Camping Trailers

The Middle East crisis of late 1990 did not seem to be a factor influencing folding camping trailers. The trend of 1987-1990 in *Figure 8* was downward—with brief, dramatic reprieves. More precisely, the downward movement began in mid-1988 and included six successive months of decreased volume in late 1988 and early 1989. Yet during the Persian Gulf crisis in 1990, October shipments managed to hit the trend line, although that improvement was sandwiched between two months of far less activity.

Truck Campers

The trend line for truck campers in *Figure 9* is almost flat. Middle East events seemed to have no impact until November of 1990. Shipments in 1989 and 1990 moved in a narrow, low-volume range until the drop of 300 units in November 1990. Due to that November drop, it would require a 38% shipments increase to regain the trend line of 1987-1990.

Class A Motorhomes

Shipments of Class A motorhomes in *Figure 10* look as though a reversal of a downward drift was nipped in the bud during late 1990. From a level of 3,840 units in September 1988, there was an unsteady progression of declines to 2,550 units in August 1989. An upward drift then began until interrupted by political and military events in the Persian Gulf. By November of 1990, shipments were nearly 43% below the 43-month trend.

Class B Motorhomes

It is quite possible to see an upward trend in the data of *Figure 11*. From a low of 290 units in November 1987, a gradual upward trend in shipments of Class B motorhomes can be perceived. This is contrary to the downward trend shown, which is based on a longer period including the strong late-summer shipments of 1987. The

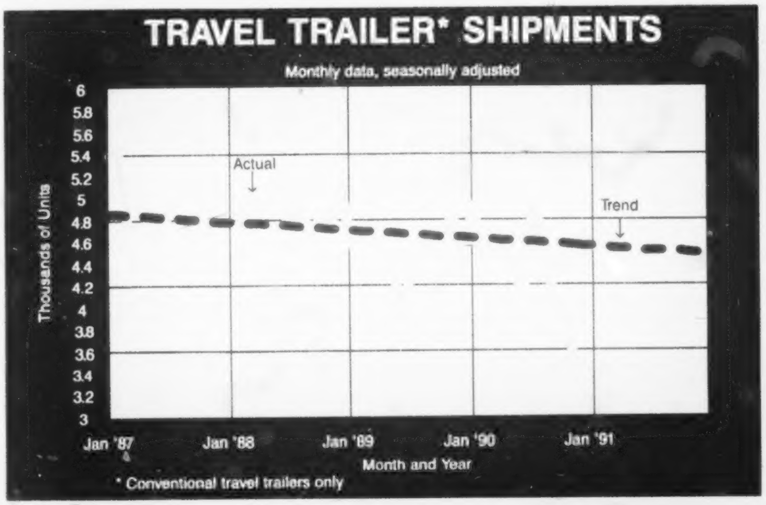
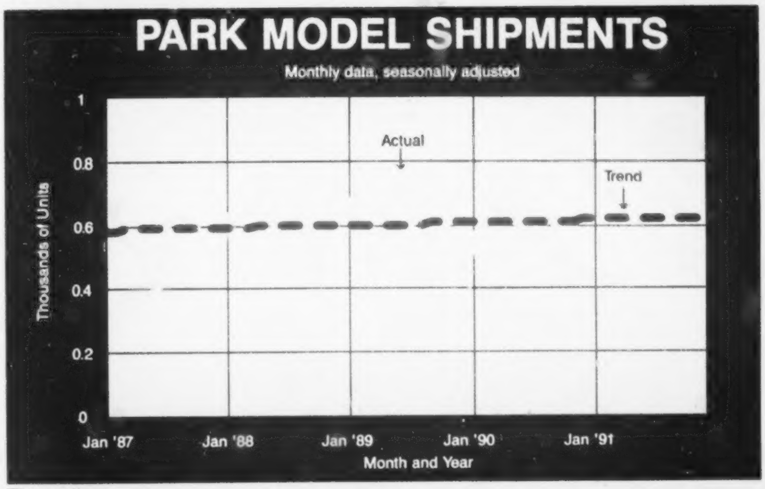


Figure 5



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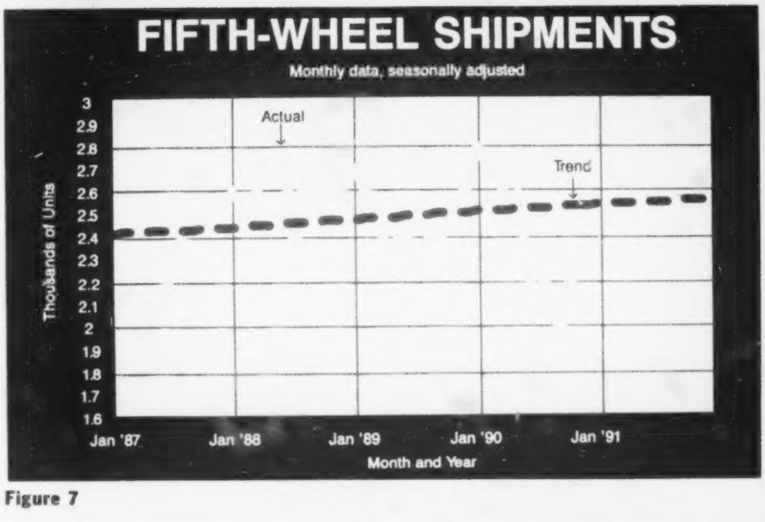


Figure 7

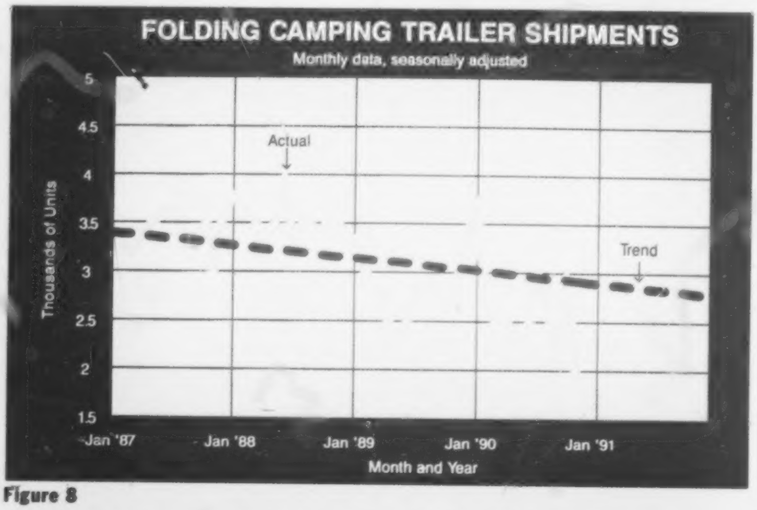


Figure 8

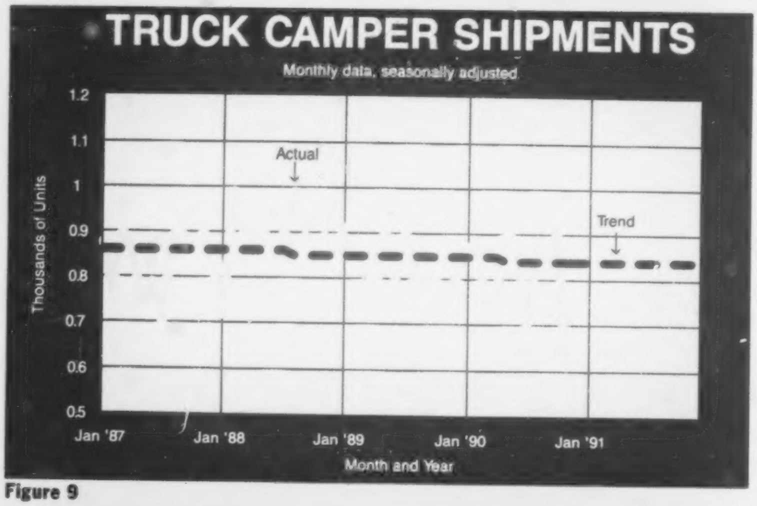


Figure 9

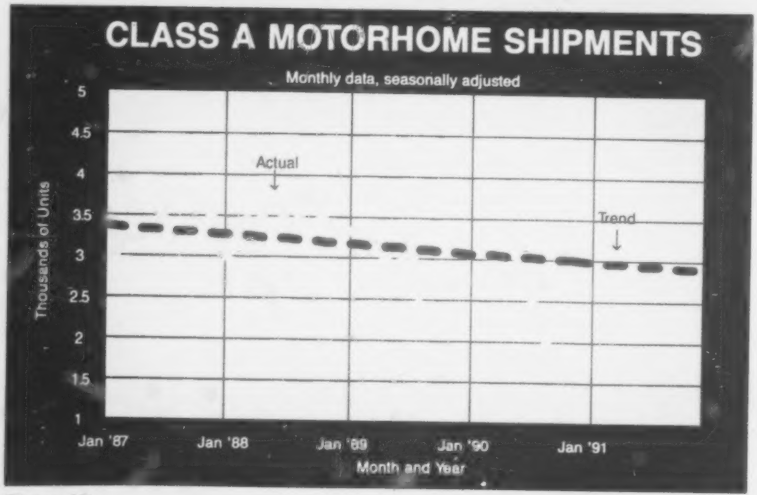


Figure 10

Kuwait situation then seems to have pushed Class B motorhomes back down to the trend line for the 43-month period. A resumption of more normal conditions could bring a restoration of the 500 monthly units lost in reaction to the tumultuous times.

Class C Motorhomes

The record in *Figure 12* of Class C motorhomes was one of stability in 1987 and 1988, followed by a period of decline in 1989 that resulted in a drop of 53% in the 12 months from December 1988 to December 1989. After six months of stability at a higher level in 1990, higher oil prices and uncertainty brought about additional declines. By November 1990, Class C units were 27% behind the level of a year earlier.

> *Motorized units are advancing in consumer preference at the expense of towables.*

Market Shares

At the start of the 1980s, towables held the high ground among RVs, with more than 45% of the market. Van conversions were in second place at 39%, and motorhomes were a distant third with a 16% share.

During the 1980s, towables lost their lead position as shipments of these units were surpassed by van conversions in 1982. Towables lost nearly 10 market-share points, while van conversions gained more than 10 points. *(See Figure 13.)* Since then, van conversions continued to make advances to the point of controlling nearly half of the market for RVs by 1990.

Because so many in the RV industry cling to the view that van conversions are *not* part of the industry, except for statistical purposes, it should be noted that towables have declined from 74.4% of the combined market of towables and motorhomes (the RV market as perceived by traditionalists) in 1980 to 70.7% in 1990. The implications, however, remain the same: Motorized units are advancing in consumer preference at the expense of towables.

A Summary Caveat

The persistence of every trend discussed here is open to question. Changing prices, the course of events and the tastes of consumers vary widely over time. The performance of different models in the future will depend on each of these factors and on the efforts that manufacturers and dealers make to advance their product lines. The downward drift seen in so many of these graphs also reflects the fact that American economic growth was stagnant for several years. Robust growth in the American economy would be the best prescription for changing the direction of the industry. Δ

Market Share History
(percent of total shipments)

	Towables	Motorhomes	Van Conversions
1980	45.45	15.64	38.91
1981	43.45	14.81	41.74
1982	40.86	16.03	43.11
1983	37.51	19.41	43.07
1984	35.38	20.59	44.02
1985	34.99	19.13	45.88
1986	34.23	17.84	47.93
1987	36.11	18.44	45.45
1988	35.15	17.06	47.79
1989	33.75	15.44	50.81
1990	35.72	14.79	49.49

Morton J. Marcus is the director of the Indiana Business Research Center in the Indiana University School of Business. His research activities include monitoring trends in the RV industry and providing forecasts which are regularly reported in RV Business.

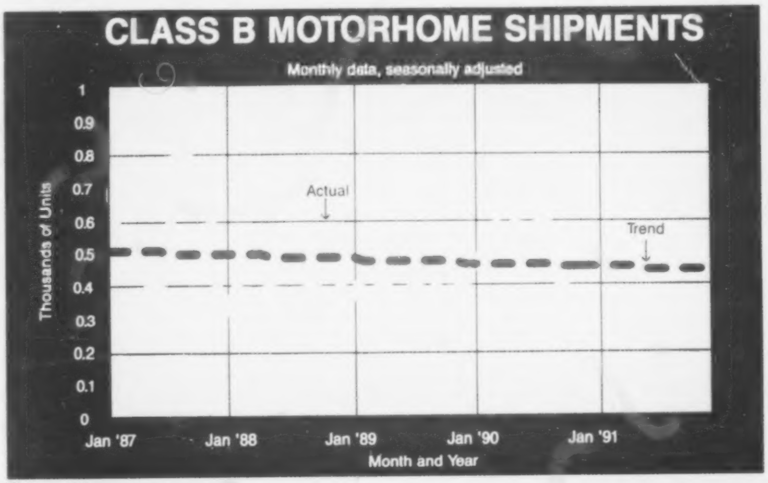
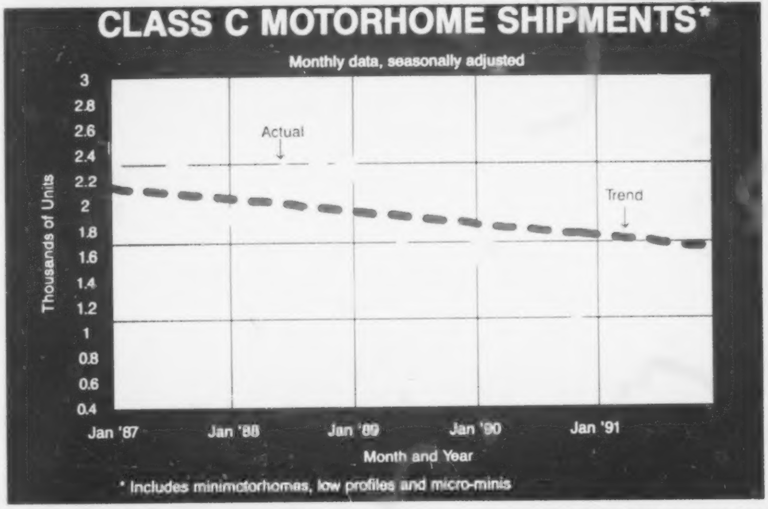


Figure 11



* Includes minimotorhomes, low profiles and micro-minis

Figure 12

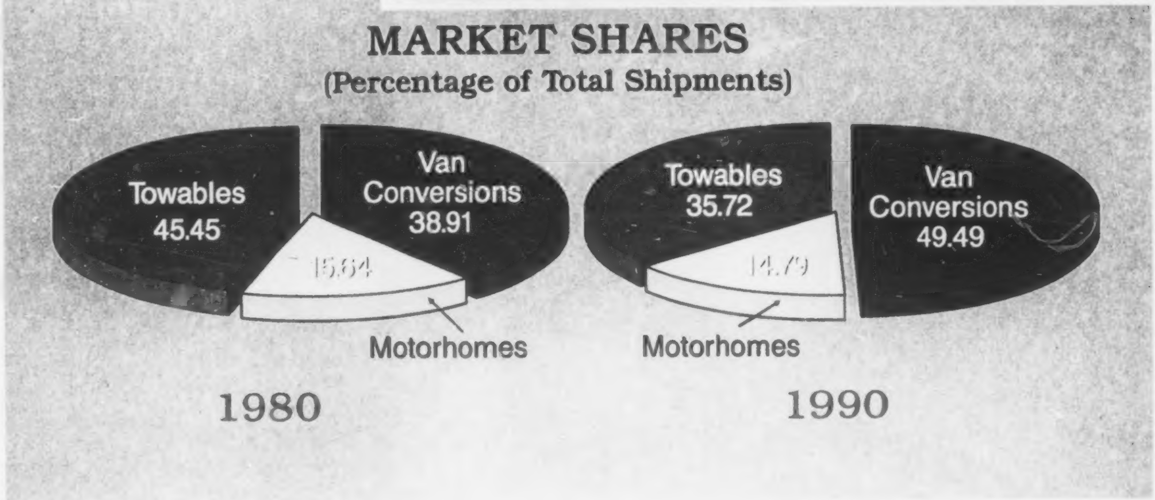


Figure 13

WHY SEASONALLY ADJUST DATA?

MORTON J. MARCUS

EFFECT OF SEASONAL ADJUSTMENT ON MONTHLY RV SHIPMENTS

	Shipments		Month-to-Month Change			
			Number		Percent	
Months/ Years	Raw Data	Seasonal Adj. Data	Raw Data	Seasonal Adj. Data	Raw Data	Seasonal Adj. Data
Jan '89	32,400	33,900				
Feb	35,000	34,820	2,600	920	8.0	2.7
Mar	38,800	33,350	3,800	-1,470	10.9	-4.2
Apr	39,400	31,990	600	-1,360	1.5	-4.1
May	36,400	31,500	-3,000	-490	-7.6	-1.5
Jun	35,400	32,740	-1,000	1,240	-2.7	3.9
Jul	31,900	32,940	-3,500	200	-9.9	0.6
Aug	31,600	32,940	-300	0	-0.9	0
Sep	28,700	32,120	-2,900	-820	-9.2	-2.5
Oct	31,500	32,800	2,800	680	9.8	2.1
Nov	27,300	34,270	-4,200	1,470	-13.3	4.5
Dec	27,300	32,620	0	-1,650	0	-4.8
Jan '90	30,900	32,200	3,600	-420	13.2	-1.3
Feb	30,100	30,140	-800	-2,060	-2.6	-6.4
Mar	35,600	30,580	5,500	440	18.3	1.5
Apr	39,300	31,980	3,700	1,400	10.4	4.6
May	38,200	33,080	-1,100	1,100	-2.8	3.4
Jun	34,300	31,820	-3,900	-1,260	-10.2	-3.8
Jul	31,700	32,740	-2,600	920	-7.6	2.9
Aug	30,500	31,760	-1,200	-980	-3.8	-3.0
Sep	23,900	26,790	-6,600	-4,970	-21.6	-15.6
Oct	25,600	26,820	1,700	30	7.1	0.1
Nov	18,200	22,960	-7,400	-3,860	-28.9	-14.4

Table 1

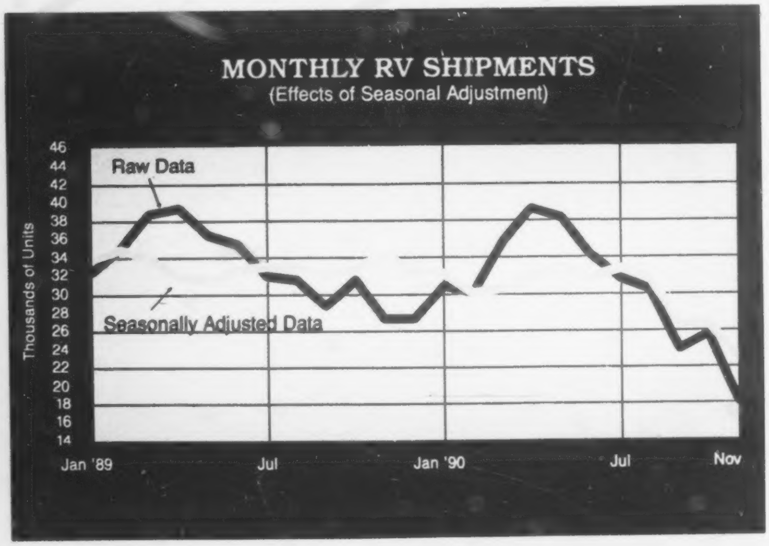


Figure 1

Wholesale shipments of RVs, like many other economic activities, show a strong seasonal pattern. Shipments are typically heavy in the spring months to meet consumer demand. Then, shipments fall off as the weather turns cooler and demand slackens. To reflect this normal seasonality and in order to compare data from month to month, data are adjusted from their raw form.

Without seasonal adjustment, misleading conclusions could be drawn from shipment or other economic data. If the seasonality of turkey sales were ignored or unknown, a person might think the industry had gone into a depression in January after the boom of November and December. By raising the January figure and lowering the peak months, that is by a statistical method of smoothing out the ordinary highs and lows, a proper comparison can be made between months.

> *Without seasonal adjustment, misleading conclusions could be drawn from shipments.*

Why Adjust RV Data?

Table 1 and *Figure 1* show RV shipment data as reported for 1989 and 1990. These raw data indicate that shipments peaked in April 1989 at 39,400 units. But April is normally a strong month, often the very best month of the year as part of the annual increase in spring shipments. If just the raw data were considered, February 1989 would have shown a 2,600-unit increase, followed by 3,800 more units in March and then an-

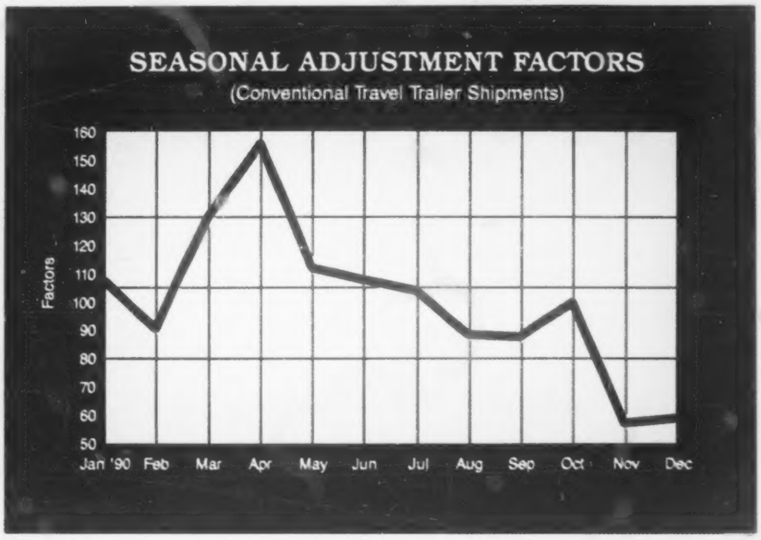


Figure 2

Instead of showing a huge swell of shipments in the spring of 1990, Figure 3 shows the seasonally adjusted data with a flat trend in those months. Instead of shipments dropping off in the second half of 1990, they had a slight downward trend.

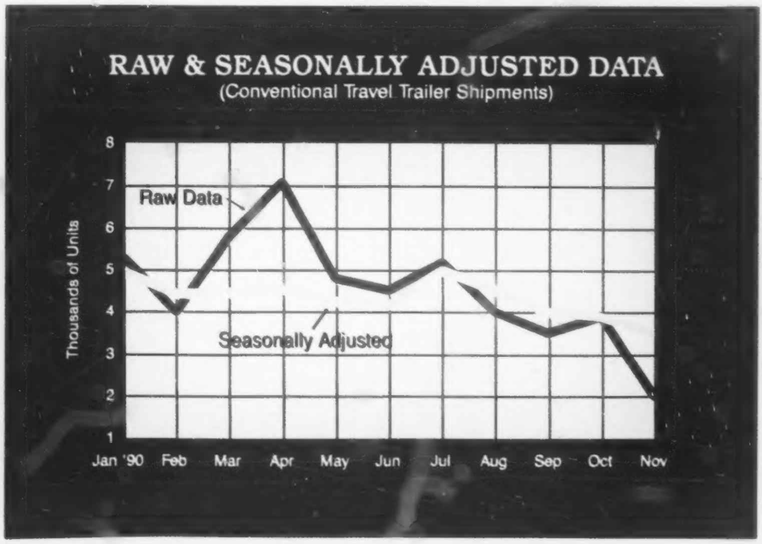


Figure 3

other 600-unit increase in April *(see column 4 of Table 1)*. The month-to-month percentage increases were impressive *(column 6 of Table 1)*.

But when the normal seasonal patterns are taken into account, a different picture emerges. April's 39,400 units were still shipped, but they are equivalent to 31,990 units when adjusted for seasonal patterns *(column 3 of Table 1)*. The month-to-month changes in volume and percent *(columns 5 and 7 of Table 1)* are much less dramatic now. In fact, March was a down month because the growth in shipments over February was weaker than is normal for that time of the year.

Using seasonally adjusted data, the analyst is alerted to a decline in shipment data in the spring of 1989 rather than being misled into believing in a growth that had not been taking place. At the same time, the last half of 1989 is seen to be flat in the seasonally adjusted data – without any suggestion of a decline from the first half of the year.

How Is It Done?

Seasonal adjustment of raw, reported data is accomplished by studying a data series over a long period of time. In many instances, RV data extend back to 1972 as a reasonably consistent series. From this history, seasonal patterns can be derived. If the truly average month is considered to have a value of 100, then a month which normally is 50% stronger in shipments would get a value of 150. A weaker month gets a value below 100.

Figure 2 depicts these "seasonal adjustment factors" as they have been developed for conventional travel trailers in 1990. April is nearly 60% above the average month. November and December are the slowest months – at between 50% and 60% of average monthly shipments. Only October comes close to being a truly average month. These data are also shown in *column 2 of Table 2*. (All the seasonal factors for a year added together equal 1,200 – 100 times 12 – so that the annual totals of the raw and seasonally adjusted data come out the same. But in Table 2, we have only 11 months of data as this piece goes to press so the totals are not equal.)

These seasonal factors (divided by 100) are applied by dividing them into the raw shipment data to get the seasonally adjusted shipments. *(In Table 2, column 1 divided by column 2 – divided by 100 – equals column 3).*

The result of this calculation is a clearer picture of shipments in 1990. Instead of

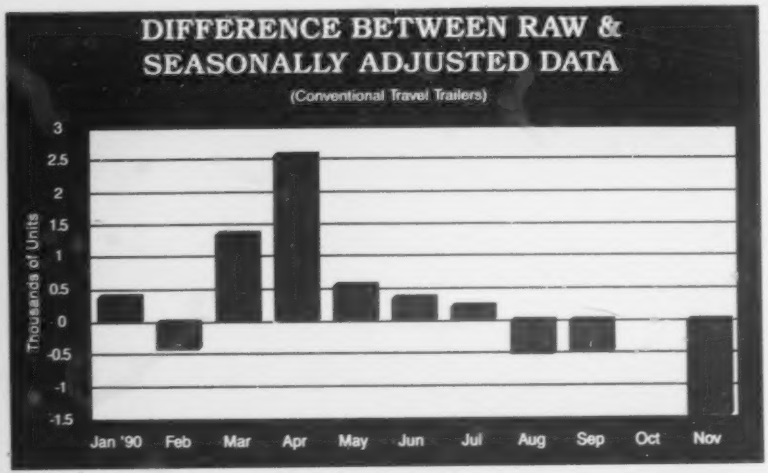


Figure 4

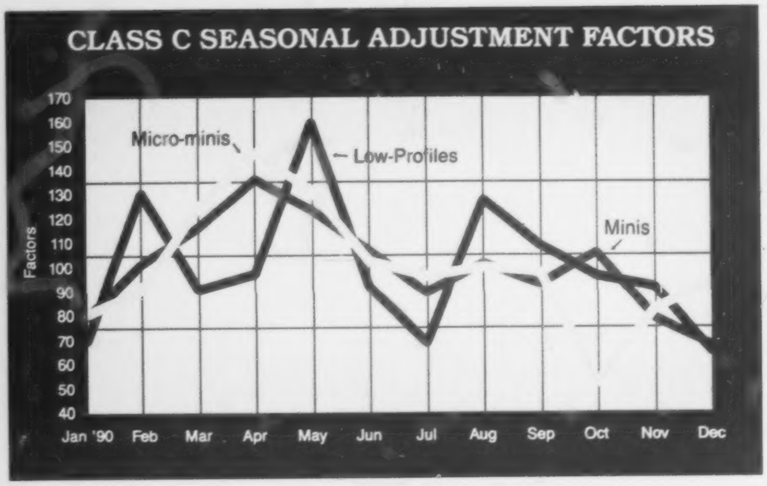


Figure 5

SEASONAL PATTERNS FOR CONVENTIONAL TRAVEL TRAILERS

Months 1990	Raw Data	Seasonal Factors	Seasonal Adj. Data	Difference Number	Difference Percent	Absolute Value Number	Absolute Value Percent
Jan	5,300	107.5	4,930	370	7.0	370	7.0
Feb	4,000	90.6	4,420	– 420	– 10.5	420	10.5
Mar	5,800	129.8	4,470	1,330	22.9	1,330	22.9
Apr	7,100	155.9	4,550	2,550	35.9	2,550	35.9
May	4,800	112.3	4,270	530	11.0	530	11.0
Jun	4,500	107.8	4,170	330	7.3	330	7.3
Jul	5,200	104.3	4,990	210	4.0	210	4.0
Aug	4,000	88.5	4,520	– 520	– 13.0	520	13.0
Sep	3,500	87.5	4,000	– 500	– 14.3	500	14.3
Oct	3,900	99.9	3,900	0	0	0	0
Nov	2,000	57.3	3,490	– 1,490	– 74.5	1,490	74.5
Dec	-	58.7	-	-	-	-	-
TOTAL	50,100	1,200.0	47,710	-	-	-	-
AVERAGE	4,555	100.0	4,337	217	4.8	750	16.5

Figures may not add to total because of rounding.

Table 2

seeing a huge swell in shipments in the spring, *Figure 3* shows the seasonally adjusted data with a flat trend during those months. Instead of seeing shipments dropping off during the second half of the year, they had a slight downward trend as 1990 came to a close.

The differences between the raw data and the seasonally adjusted data can be very significant. *Figure 4* shows the difference between the raw data points in *Figure 3* and the seasonally adjusted data points. The overstatement by the raw data for April was nearly 2,600 units or 36% *(see columns 5 and 6, Table 2).* For November, the raw data understated shipments by nearly 1,500 units (a 74% difference).

The average difference between the raw data and the seasonally adjusted data is determined by disregarding whether it is a positive or negative difference. (The average difference shown in columns 5 and 6 tends to wash out and minimize the distortion.) The absolute values are shown in *columns 7 and 8 of Table 2.* On average, the first 11 months of 1990 yielded a difference of 750 units or 16.5%.

Low-profile units show a history of wide swings.

Different Patterns for Each Type

Seasonal patterns vary by product. For example, there are three types of Class C motorhomes. The low-profile Class C units have a pattern that is different from the minimotorhomes and the micro-minimotorhomes. Low-profile units show a history of wide swings with three high peaks. Minis and micros track fairly closely together and have a single April peak. But whereas micros have very weak Octobers, minis usually have an October that is fairly typical.

Each type of product needs to have its own seasonal pattern examined. In addition, the seasonal factors that apply for the industry and each type may not apply for each firm because of different geographic market orientations or differences in production and inventory management.

Seasonal adjustment of the data keeps attention on trends. Raw data are equally valuable since they represent actual resource utilization. Both are necessary statistics. Δ

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MARCH 8, 1991

Early Retail Show Reports Are Positive

A sampling of some of the early RV shows across the nation indicates that consumer confidence in many areas may be stronger than anticipated, and that RV manufacturers and dealers have reason to be optimistic about the outlook for '91. Apparently, a shaky economy, a nervous stock market and war in the Middle East aren't putting the brakes on consumer interest in the RV lifestyle.

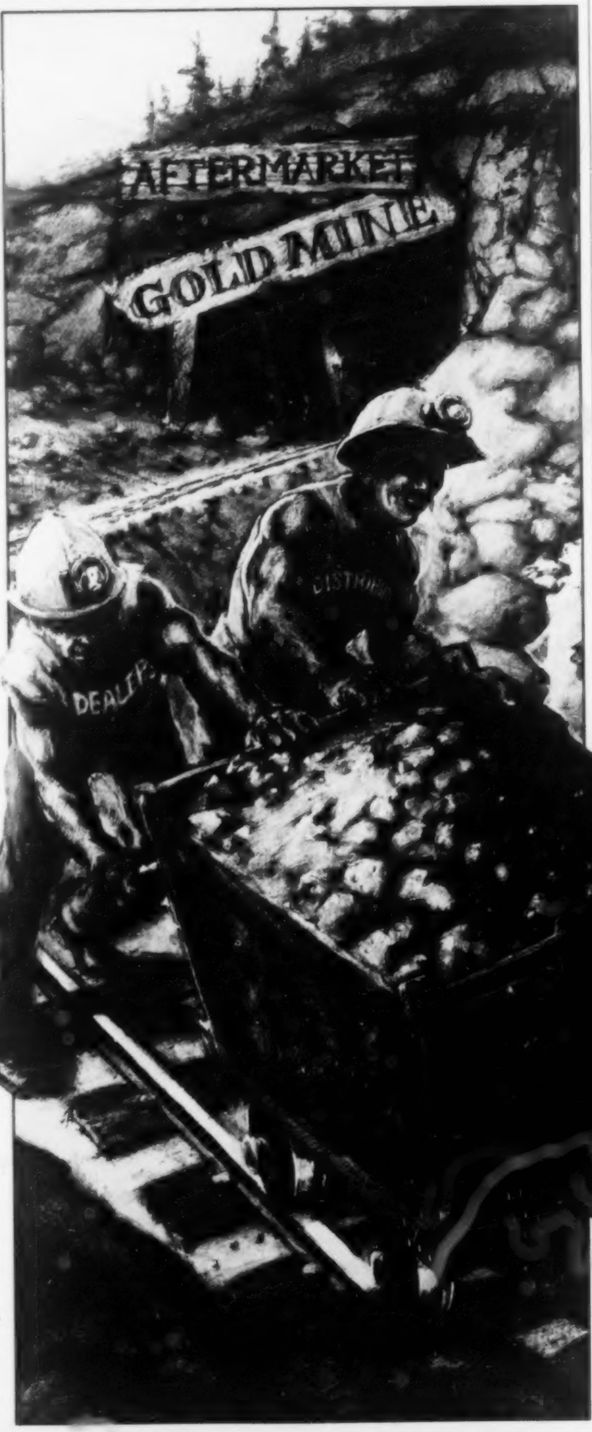
Robert Atwell, co-manager of the Great Lakes Recreation Vehicle Show, Cleveland, Ohio, reported a higher turnout for this year's show, a distinct change from the last two years. Noting that the boat show that followed the RV show by one week had a 40% drop from last year's gate, Atwell said, "I can only conclude that this is strong evidence that interest in RVs remains high and the buyers are out there."

Jim Crow, president of Jim's Trailer Sales Inc., Grafton, Ohio, echoed those sentiments. Crow, who was this year's chairman of the Cleveland show, said, "Attendance was indeed up over the last few years, and we think there was a definite upswing in first-time buyer attendance. What we also saw, however, was that there seems to be a lot of hesitation among buyers. The interest in the product is there, but the buyers are definitely preoccupied by the Middle East and the general state of the national economy."

Crow added that, for him, as

continued on page 8

MINING THE AFTERMARKET: How to unearth aftermarket profits. See page 28.



- **Court Ruling On Regulations May Aid RVs**
- **Class B Sales Strong Despite Weak Market**
- **Tampa Show Has Record Attendance**
- **Cruise America Adds Rental Truck Campers**
- **Former Dometic Chief Becomes Barth President**
- **Suppliers Debut 'Hot' Products**
- **Central Air Makers Seek Wider Market**
- **Dealer Purchases Vogue Coach Assets**
- **Kropf Mfg. Sells Units To Japan**
- **Ford Restyles '92 Econoline**
- **Xplorer Files Chapter 11**

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Distributors can help dealers discover a mother lode of parts-and-accessories profits to help add more glitter to bottom lines. Dealers and distributors describe how to use a good business partnership to develop aftermarket sales, both as a countercyclical strategy and as a way to enhance unit sales and profits.

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BOTTOMING OUT IN NOVEMBER?

MORTON J. MARCUS

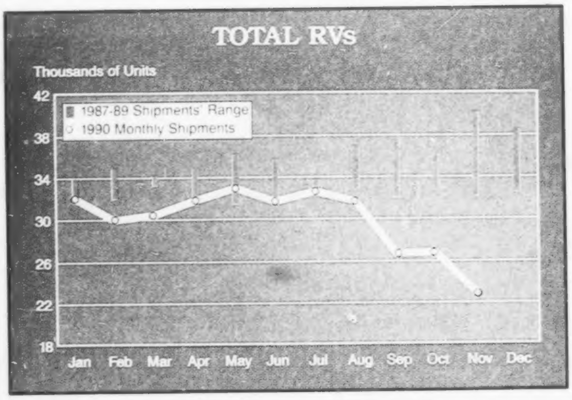


Figure 1

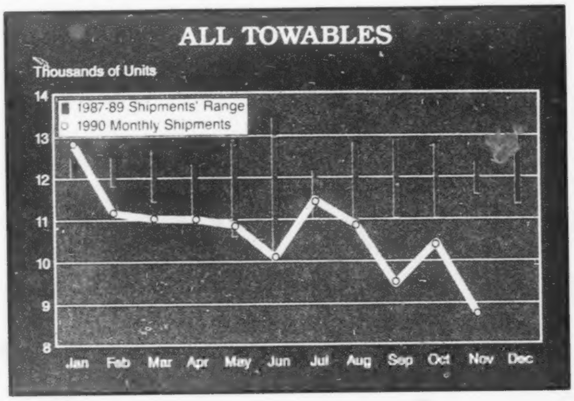


Figure 2

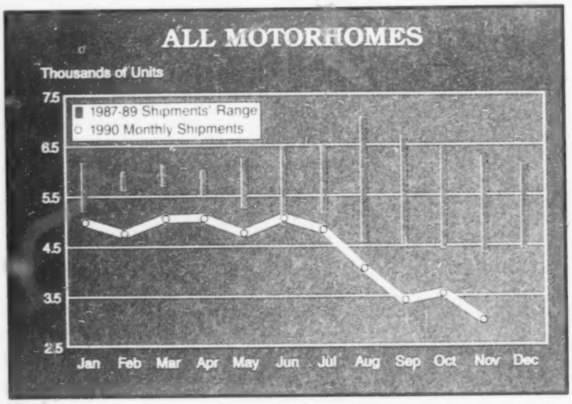


Figure 3

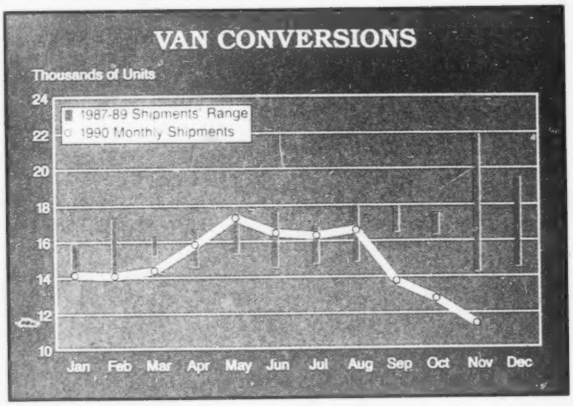


Figure 4

November 1990 was the month in which we elected most of the same people to Congress. In November, the President observed Thanksgiving with the troops in Saudi Arabia. And in November, the RV industry heard the second shoe of the recession drop.

Was November 1990 the end of the slide, or is there more bad news to come?

Last September had seen a significant decline of 16.1% in shipments from August levels. That was the sound of the first shoe dropping, as the nation adjusted to the economic and psychological tensions of the Persian Gulf conflict. October 1990 was then a flat period. Then, last November, based on the latest data from RVIA, showed another one-month decline of approximately the same percentage (16.3%) after seasonal adjustment.

On the surface, September and November seem to have experienced equally bad declines, but that would be an erroneously negative conclusion. The decline of September 1990 equaled approximately 5,100 units; November's drop-off was 3,800 units. Although the percentage declines were comparable, the actual decrease in November was considerably less than that of September of last year.

Too frequently, we allow ourselves to be impressed erroneously by percentages. Our real concern is the shipment and sale of RV units. Percentage points are often useful for analysis and help us to compare dissimilar numbers. However, no customer ever rolled away in a Class A percentage point. People buy and use physical units, not percentage points. Hence, what is important is that, when the second shoe dropped in this recession last November, it involved a lesser decline in number of units

GRAPHICS: DIGITAL LIF

than September's drop.

Putting It in Perspective

The level of total shipments in November 1990 was 22,960 units, which was well below the range for November of the preceding three years. *(See Figure 1.)* With such low levels of RV shipments, it is natural to ask, "When was the last time things were this bad?"

Total RV shipments had not been this low since October 1982, when the nation was just one month from the bottom of its last recession. But by that point, RV shipments had already regained strength from the record low of 10,400 units shipped in November of 1980—10 years earlier. As of November 1980, the nation had just come through the first stage of its long (1979-1982) recession, and, although matters would get worse for the nation, the RV industry was on an upswing.

It is instructive to look back and place our own times in perspective. Today, we bemoan a decline that puts shipments 35.6% below year-earlier figures. In October 1980, total RV shipments had fallen by 62.7% from October 1979. That was a huge decline, but it ranked second to the truly enormous decline of 72.7% in January 1974. In early 1974, when the OPEC nations first flexed their collective muscle, shipments fell from 58,000 units in January 1973 to just 15,800 in the opening month of 1974.

The Detailed View

Just as total shipments were way down in November 1990, so, too, were the various sectors off their pace of the past three years. Towables reached only 8,740 units last November. *(See Figure 2.)* Motorhomes, at 3,050 units shipped in November, and van conversions, at 11,180 shipments, were both below the range of recent years. *(See Figure 3 and Figure 4.)*

For perspective, consider these historical comparisons: It was 60 months earlier, in December 1985, when travel trailers were as low as last November's level. Truck campers were at similarly low levels more recently, in September 1986. Van conversions last saw such a low level in December 1982. But for folding camping trailers, we must reach back to August 1980 to find a level as low as November 1990.

Not all types of RVs were down in November. There were extremely modest gains made by park models and Class B motorhomes.

Compared with October 1990, November's shipments fell 14.4%—with towables leading the decline with a 16.5% reduction. *(See Figure 6.)* Nonetheless, for 1990 year-to-date, towables had the upper hand within the industry. As seen in Figure 5, towables, alone among the major sectors, had gained market share by nearly two points as of last November. Nearly two-thirds of that gain has been at the expense of van conversions.

PERCENT MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.31	22.87	1.45
Conventional	14.42	13.56	0.86
Park Models	2.00	1.92	0.09
Fifth-wheels	7.89	7.39	0.50
Folding Camping Trailers	8.70	8.43	0.27
Truck Campers	2.70	2.50	0.21
TOTAL TOWABLES	35.72	33.80	1.93
Motorhomes:			
Class A	8.21	8.96	-0.75
Class B Van Campers	1.66	1.25	0.41
Class C:	4.91	5.29	-0.38
Minis	3.80	4.35	-0.55
Low Profiles	0.15	0.35	-0.19
Micro-minis	0.95	0.60	0.36
TOTAL MOTORHOMES	14.79	15.51	-0.72
Multiuse Van Conversions	49.49	50.70	-1.21

Percentages may not add to total because of rounding.

Figure 5

Overall, the decline in towables was just 3.8% for 1990 as of last November. Shippers of motorhomes, which were down 13.2%, and van conversions, which were down 11.1%, must envy such a moderate loss. Clearly, the problems are in motorized units, which share many of the difficulties experienced by the nation's automotive industry.

The Path Ahead

It is probably foolhardy to suggest that we have seen the worst, but that is a strong possibility. December 1990 figures may not show much improvement, but the preconditions for a turnaround in the economy were becoming apparent in early 1991, when this was written.

Gas prices were well below their peaks. Interest rates had declined. The onset of war in the Persian Gulf had ended the great uncertainty over whether there would be military action. Although much concern and pain may lie ahead for thousands of families, the nation will begin adjusting to the new reality.

These conditions are positive signposts on the road to recovery. Few will accept them without added evidence, but the time could well be at hand to prepare for an improved market. Many firms will let the recovery race past, while they wait for a more detailed and convincing confirmation. These firms may regret their market share losses as others move ahead with positive programs. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

Type of Units	Nov. '90	Change from Oct '90 Number	%	Year-to-Date 1990	1989	Change Number	%
TOTAL RVs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Travel Trailers:	6,180	-400	-6.1	80,450	83,090	-2,640	-3.2
Conventional	3,490	-410	-10.6	47,720	49,270	-1,550	-3.1
Park Models	550	70	13.6	6,630	6,960	-330	-4.7
Fifth-wheels	2,140	-50	- 2.5	26,110	26,860	-760	-2.8
Folding Camping Trailers	1,940	-1,030	-34.7	28,800	30,640	-1,840	-6.0
Truck Campers	610	-300	-32.6	8,950	9,080	-130	-1.4
TOTAL TOWABLES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motorhomes:							
Class A	1,590	-240	-12.9	27,170	32,560	-5,390	-16.6
Class B Van Campers	450	20	5.2	5,510	4,550	960	21.1
Class C:	1,010	-320	-24.3	16,250	19,240	-2,990	-15.5
– Minis	760	-180	-19.2	12,580	15,810	-3,230	-20.4
– Low Profiles	0	0	0.0	510	1,260	-760	-59.7
– Micro-minis	240	-140	-36.8	3,160	2,170	990	45.8
TOTAL MOTORHOMES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Multiuse Van Conversions	11,180	-1,600	-12.5	163,750	184,210	-20.460	-11.1

Note: Data rounded to nearest 10 units.

Figure 6

1990'S DISMAL END MAY NOT FORETELL FUTURE

GAYLORD MAXWELL

Not surprisingly, the RV retail scene was dismal last December. Perhaps the only surprise was that there was as much business as there was. Actually, one-third of the Dealer Advisory Board (DAB) members were able to top December 1989 sales figures in dollars, but unit totals for the group were off sharply in both new and used categories.

Although there were some good marks for grosses (particularly for new motorhomes and used units), profits were dismal. Bottom lines were rated poor by all but three DAB members, who judged them fair. Both new and used inventories tended to be on the high side, as traffic was poor and new buyers scarce.

In spite of these gloomy facts, there was some light. Three members of the board (all smaller medium-size dealers) actually topped their December 1989 sales.

Unfortunately, the wonderful start the industry had in the early months of 1990 was short-lived. The economic slowdown began to affect sales during the early summer, and the Persian Gulf crisis really put the brakes on buying. Overall, however, it was not a disastrous year. Three-fourths of DAB members took in more dollars than they did in 1989. Total sales volume was down only 8%. Three RV types—all towables—were actually up in new-unit sales, and total unit sales were down only 2%. In short, our DAB was down at the end of the year, but definitely not out.

A positive note is that, as this was being written in late January, the year seemed to be off to a good start. Early reports indicated that buyers were out at the shows and that activity had picked up at dealerships. Most dealers with whom we talked felt that the stage was set for a very respectable 1991.

Motorhomes:

New-unit sales of motorhomes were down in December 1990, but the percentage drop was actually less than that for the year-to-date. Most members of the DAB managed to stay fairly close to their tally of the preceding December, although a couple of the "heavy hitters" fell significantly short of the mark. Used-unit sales were exceptionally poor—down 34%. Grosses were rated very mixed and ranged from poor to good.

Motorized RVs suffered the greatest sales slump of any type in 1990—down nearly 20% in new-unit sales. However, used sales ended nearly equal to those of the previous year.

Very positive early show reports of motorhome sales, the introduction of many new diesel types (especially medium-size units with smaller engines) and the average American's love affair with machines all seem to provide valid reasons for optimism about the coming year.

Travel Trailers:

December 1990 was the nearest thing to disaster for trailer sales. The drop from last year's numbers was severe in both new and used units. And profit ratings reflected an equally grim picture—mostly poor.

Fortunately, due to the excellent start this type got in the early months of the year, 1990 ended with a slight increase over the previous year in new units and only a half-dozen units down in used.

Considering the upswing in the year just past, there's reason for optimism for the present year when the Mideast war is over and the recession is behind us.

Truck Campers:

New slide-ins performed as well in the closing month of 1990 as they had during December of 1989. The numbers weren't large, but the fact that they were the same

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	DEC. 1990	DEC. 1989	% CHANGE	1990	1989	% CHANGE	DEC. 1990	DEC. 1989	% CHANGE	1990	1989	% CHANGE
MOTORHOMES	60	71	−15	1,209	1,492	−19	51	77	−34	1,381	1,427	−3
TRAVEL TRAILERS	26	40	−35	1,212	1,122	+8	24	36	−33	1,065	1,072	< −1
TRUCK CAMPERS	19	19	0	298	347	−14	7	5	+40	191	156	+22
CAMPING TRAILERS	8	3	+160	913	894	+2	2	5	−60	299	318	−6
FIFTH-WHEELS	21	19	+11	544	466	+17	10	13	−23	315	309	+2

	FOR MONTH			YEAR-TO-DATE		
	DEC. 1990	DEC. 1989	% CHANGE	1990	1989	% CHANGE
SALES VOLUME	$5,752,000	$7,483,000	−23	$136,696,000	$149,274,000	−8
TOTAL UNIT SALES	228	288	−21	7,427	7,603	−2
NEW-UNIT SALES	134	152	−12	4,176	4,321	−3
USED-UNIT SALES	94	136	−31	3,251	3,282	−1

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McMann,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

indicated that interest hadn't waned. Used sales were off a great deal in percentages, but not much in actual unit numbers. Profits were rated poor.

Year-to-date, sales of new units lagged behind the same period of 1989. Used sales were up, however.

Although serious camper dealers were generally down a bit in 1990, they did well. There is no reason to believe they would not do equally well in 1991.

Camping Trailers:

As is typical for December, both new- and used-unit figures for the month were too low to be meaningful.

Year-to-date, fold-downs ended 1990 slightly ahead of the preceding year for our DAB. Although a 2% increase is not much, holding your own in a generally down year is great. Most specialists in this category held their own.

> *Three-fourths of DAB members took in more dollars than they did in 1989. Total sales volume was down only 8%. Three RV types — all towables — were actually up in new-unit sales, and total unit sales were down only 2%.*

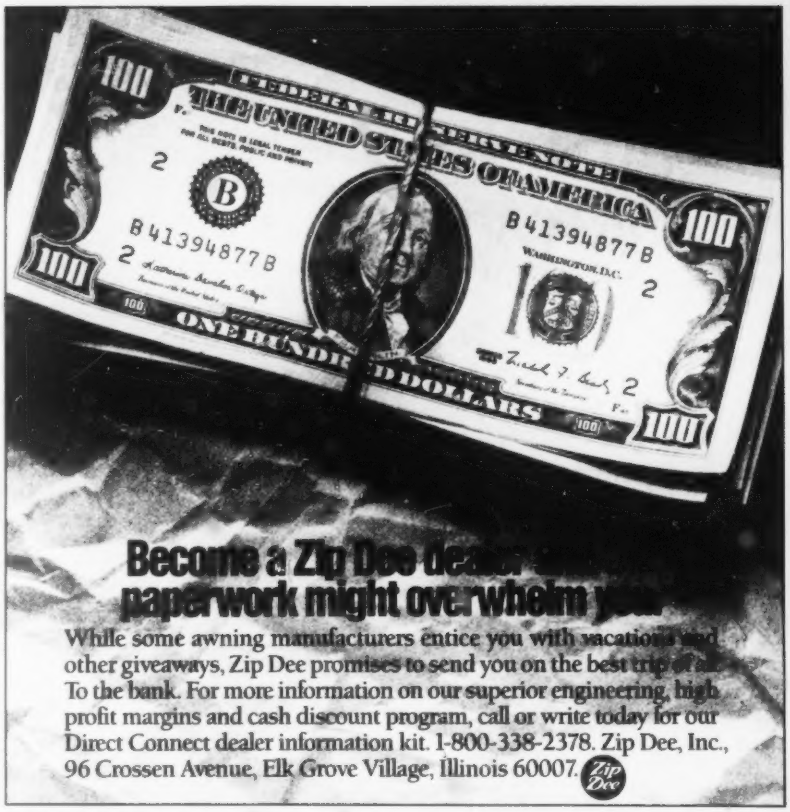
If the economy should turn around and blue-collar workers again feel secure in their jobs, this type could rebound in 1991.

Fifth-Wheels:

Fivers did well in December 1990, as they had all year. The numbers in both percentages and units were not large, but they were in the plus column. Considering the year overall, that is great. Profit ratings were quite mixed but tended to be on the poor side.

Year-to-date, 1990 was a fine year for fifth-wheels. With only a couple of exceptions, those dealers who seriously stocked this type not only got the units, they got the grosses.

It's a picture that has no reason to change. ∆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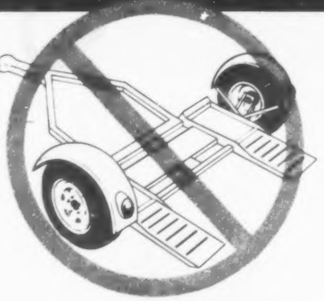

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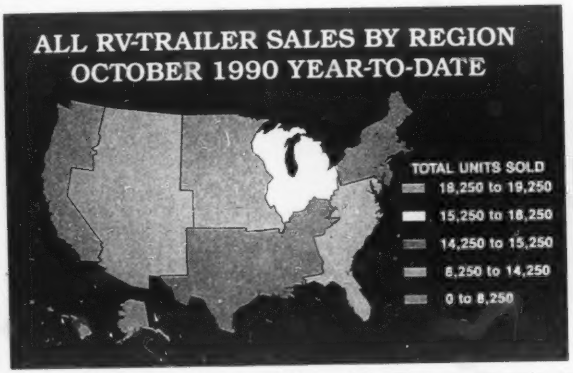
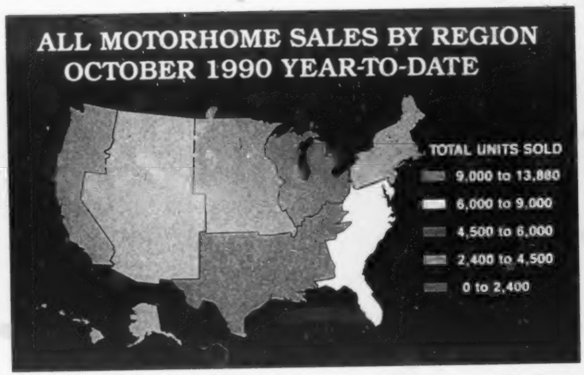
MOTORHOME AND RV-TRAILER SALES BOTH HIT HARD IN OCTOBER '90

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin. **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont. **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

Complete data on October 1990 RV-trailer and motorhome registrations show that, for the 1990 year-to-date, the motorhome industry was down by 17.2%, while the RV-trailer market was down 4.2%.

For the month of October 1990, the motorhome market was off 38.2%, or 1,530 units, compared with October 1989. Figure 1 lists the seven national regions ranked according to the percent change in motorhome sales from October a year earlier. In the top-ranked South Central market, Mississippi recorded the largest percentage increase for the month. The East North Central states trailed the rankings, with Vermont having the largest decline.

For 1990 year-to-date last October, motorhome sales were down by 17.2%, or 8,354 units, compared with the same 10-month period of a year earlier. Figure 2 ranks the national regions according to their percent change in motorhome sales compared with 1989. The South Central region again led the rankings, with Mississippi again reporting the highest increase among those states for the year-to-date. The Northeast was bottom-ranked, and New Hampshire had the biggest percent decline there.

The RV-trailer industry in October 1990 declined by 21.5%—a 1,614-unit drop—compared with October of the previous year. Figure 3 shows the regional rankings based on the percent change in trailer sales compared with October 1989. The Mountain region led all others, with Wyoming experiencing the highest percent gain among those states. In the last-place Northeast, Maine came in with the largest decline for the month.

For 1990 year-to-date, October's RV-

MOTORHOMES, OCT. '90

Oct. '90 Rank	Region	% of Change From Oct. '89	Sept. '90 Rank
1	S. Central	-11.3	4
2	Mountain	-31.6	2
3	Pacific	-37.6	3
4	W.N. Central	-42.8	5
5	S. Atlantic	-44.5	7
6	Northeast	-44.9	6
7	E.N. Central	-45.4	1

Figure 1

MOTORHOMES, YEAR-TO-DATE

Oct. '90 Rank	Region	% of Change Year-to-Date	Sept. '90 Rank
1	S. Central	- 8.8	1
2	Mountain	-14.3	2
3	Pacific	-14.8	3
4	W.N. Central	-15.4	4
5	S. Atlantic	-18.4	5
6	E.N. Central	-22.6	6
7	Northeast	-25.6	7

Figure 2

RV TRAILERS, OCT. '90

Oct. '90 Rank	Region	% of Change From Oct. '89	Sept. '90 Rank
1	Mountain	-11.4	7
2	Pacific	-14.6	2
3	S. Atlantic	-19.5	6
4	S. Central	-23.4	3
5	W.N. Central	-23.4	4
6	E.N. Central	-28.4	1
7	Northeast	-28.8	5

Figure 3

RV TRAILERS, YEAR-TO-DATE

Oct. '90 Rank	Region	% of Change Year-to-Date	Sept. '90 Rank
1	S. Central	7.0	1
2	Mountain	3.4	2
3	Pacific	.8	3
4	W.N. Central	- 2.7	4
5	E.N. Central	- 7.0	5
6	S. Atlantic	- 7.0	6
7	Northeast	-16.9	7

Figure 4

GRAPHICS: DIGITAL LIF

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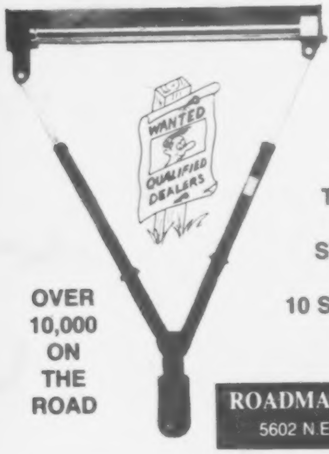

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AT RETAIL *continued*

trailer figures showed the market down by 4.6%, which was 4,094 units off the pace of the first 10 months of 1989. In Figure 4, the seven regions are listed according to their percent of change in year-to-date trailer sales compared with the same period of 1989. In the leading South Central region, Alabama had the greatest increase for the 1990 year-to-date. The Northeast fell behind all other regions, with New Hampshire recording the largest decline.

Clearly, both the motorhome and RV-trailer markets of the industry were hard-hit. If there was any good news as of last October, it was that the sales downturn was taking place during the year's slower sales season. The October-February period is traditionally the slowest in terms of retail sales. If the weak sales continue through February of 1991, it could set the stage for a very strong spring season. The demand for the product is out there, and perhaps lower interest rates and an improved world situation will bring the market back very strongly. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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MARCH 22, 1991

Snowbirds Still Flock To Sun Belt

War in the Persian Gulf and the slumping U.S. economy apparently did not succeed in changing the basic lifestyle of the tens of thousands of retired U.S. and Canadian snowbirds who annually flock to Southern campgrounds and resorts, according to RV-park managers in the Sun Belt.

Although Sun Belt RV campground and resort operators do report that the Gulf crisis prompted many "snowbirds" to migrate either earlier or later than usual, they add that the overall level of visitors appears undiminished by the war and its aftermath.

"Right now, what I'm hearing about from our members is a pretty good season," said Wayne Frederich, co-executive director of the Florida Campground Association, based in Tallahassee.

Frederich noted that early occupancy rates of Florida campgrounds were soft, dipping by 4.2% last November from the same month in 1989, but that, after the war broke out in mid-January and the nation finally turned away from its TV sets, many campgrounds experienced a measurable upsurge in occupancy.

By February, in some popular Florida and Arizona locales, occupancy rates were typically close to 100%, according to a survey of park operators.

"We were wondering what was going to happen last fall," said Sherry Vance, vice president of marketing for Nashville, Tenn.-based Outdoor Resorts of America Inc., which rents and sells RV sites in several states. "But things are really taking off. And, as far as our company is

continued on page 8

UPBEAT MOOD FOR SOUTHERN CAMPGROUNDS: Economic and Mideast-war worries didn't dent traffic at most Sun Belt campgrounds. See cover story and related article on page 8.

Failure of Van Seats in NHTSA Tests Stirs Industry Concern

The National Highway Traffic Safety Administration (NHTSA) expressed concern that van converters may have an industrywide problem in complying with Federal Motor Vehicle Safety Standard (FMVSS) 210 for seat and seat-belt anchorages after seats of three randomly selected van-conversion brands failed dramatically during tests conducted by the agency.

According to a NHTSA spokesman, the seat testing was initiated after investigators for the agency conducted cursory examinations of several van conversions displayed at various RV shows. Testing was done at NHTSA laboratories in Virginia and involved pull tests designed to imitate the stress that would be sustained by seat pedestals and seat belts in an accident.

"Not only did all three of the vans fail the tests," said a NHTSA spokesman, "the failures were pretty dramatic." Two of the vans tested utilized seat-belt bars to anchor three seat belts in the rear bench-type seat. In each instance, the seat-belt bars were pulled completely through the floor when

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VOLUME 41, NUMBER 24 MARCH 22, 1991 TWO DOLLARS

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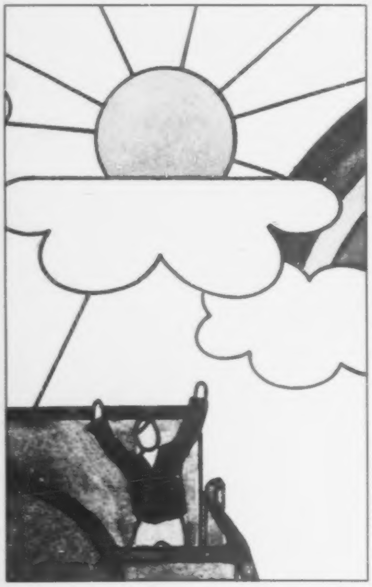

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Bath Beauties 26

RV bathrooms have come a long way from the cramped, utilitarian spaces of past years. RV designers believe savvy dealers will want to emphasize the new trend toward spaciousness and elegance in wooing today's discriminating RV buyers.

Weathering the Recession 32

1991 opened with slumping sales and Mideast-war worries, but an RVB survey of dealers found that many were coping calmly—surviving and even thriving. RV dealers and industry experts share some time-tested strategies for weathering the current recession.

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This alphabetical listing, by subject, of feature and departmental topics published in 1990 issues of RV Business provides a handy reference for readers.

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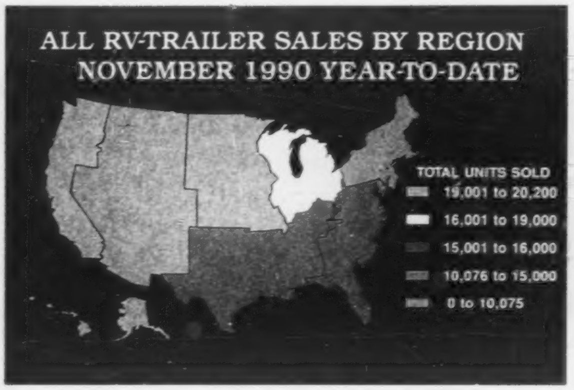
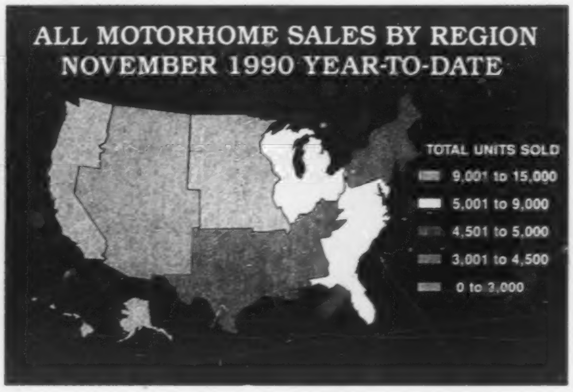
NOVEMBER '90 SALES SKID

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

In November 1990, the motorhome market plunged 40.7% from the previous November, and RV trailer sales also skidded, slipping down by 13.3% compared with the same month a year earlier. However, year-to-date figures showed a less drastic downturn: Motorhome retail registrations were down by 18.4%, while RV-trailer sales were down by a small 3.73%, in comparison with the same 11-month period of 1989.

Nationally, retail sales of RV trailers fell by 704 units, or 13.3%, compared with November 1989. Figure 1 looks at November 1990 on a regional basis, with the seven national regions ranked according to the percent of change in RV-trailer sales from the same month in 1989. In the leading South Atlantic region, Florida recorded the largest gain for the month. The Northeast trailed the pack, with Maine experiencing the worst decline in that region.

For 1990 year-to-date, the RV-trailer market was down by 4,031 units (3.73%) as of last November, and Figure 2 shows the regional rankings based on the percentage change in sales compared with the same period of 1989. The South Central area garnered the No. 1 spot, with Alabama having the largest increase. New Hampshire reported the largest decline in the last-place Northeast region.

The motorhome market was especially hard hit in November 1990, tumbling 1,362 units (40.7%) from its level the previous November. The seven regions are listed in Figure 3 in order of their percent of change in motorhome sales compared with November 1989. In the top-ranked East North Central region, Michigan reported the best performance. Kentucky came in with the deepest drop in the bottom-ranked South Central area.

For 1990 year-to-date, motorhome sales were trailing 1989's tally by 9,564 units, or 18.4%, as of last November. Figure 4 features regions ranked by the percent of change in 1990 motorhome sales compared with the same period of 1989. The South Central states outpaced all others, and Louisiana recorded the largest gain in that market. New Hampshire's market had the worst decline in the trailing Northeast

RV TRAILERS, NOV. '90

Nov. '90 Rank	Region	% of Change From Nov. '89	Oct. '90 Rank
1	S. Atlantic	17.6	3
2	E.N. Central	– 2.4	6
3	S. Central	– 5.7	4
4	Pacific	–24.4	2
5	Mountain	–26.8	1
6	W.N. Central	–30.5	5
7	Northeast	–32.2	7

Figure 1

RV TRAILERS, YEAR-TO-DATE

Nov. '90 Rank	Region	% of Change Year-to-Date	Oct. '90 Rank
1	S. Central	6.6	1
2	Mountain	2.8	2
3	Pacific	0.1	3
4	W.N. Central	– 3.6	4
5	S. Atlantic	– 5.0	6
6	E.N. Central	– 5.9	5
7	Northeast	–16.9	7

Figure 2

MOTORHOMES, NOV. '90

Nov. '90 Rank	Region	% of Change From Nov. '89	Oct. '90 Rank
1	E.N. Central	–30.6	7
2	S. Atlantic	–33.4	5
3	W.N. Central	–35.0	4
4	Pacific	–39.8	3
5	Mountain	–42.4	2
6	Northeast	–42.8	6
7	S. Central	–58.9	1

Figure 3

MOTORHOMES, YEAR-TO-DATE

Nov. '90 Rank	Region	% of Change Year-to-Date	Oct. '90 Rank
1	S. Central	–13.0	1
2	Mountain	–16.0	2
3	Pacific	–16.1	3
4	W.N. Central	–16.6	4
5	S. Atlantic	–19.0	5
6	E.N. Central	–22.5	6
7	Northeast	–26.2	7

Figure 4

GRAPHICS: DIGITAL LIFE

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AT RETAIL *continued*

region.

In November 1990, the motorhome market not only began to decline at a very rapid rate, but the trailer market began to slide as well. Looking at year-to-date numbers, the performance of motorhome retail sales was not so bad, but dealers still had to deal with that whopping 40.7% decline for the month. The good news was that these difficult times were occurring during the RV market's slowest season, when sales normally are low anyway.

What's the prognosis for early 1991? We believe that motorhome buyers are not leaving the market; some are merely postponing RV purchases until the future of fuel prices and interest rates is clearer. It is interesting to note, for example, that the Michigan market, where auto industry troubles were having an impact, was still one of the better sales areas for the industry in November 1990. RVing interest remains strong, and markets will rebound once world economic and political events are more predictable. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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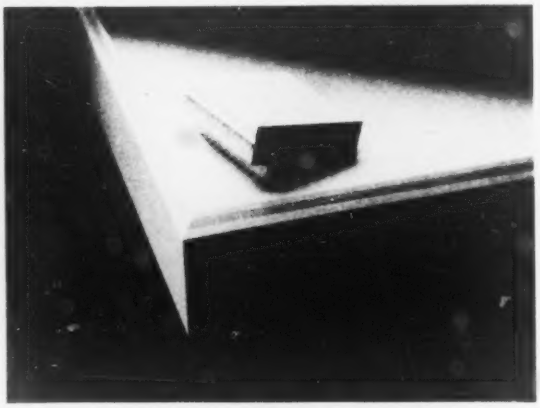

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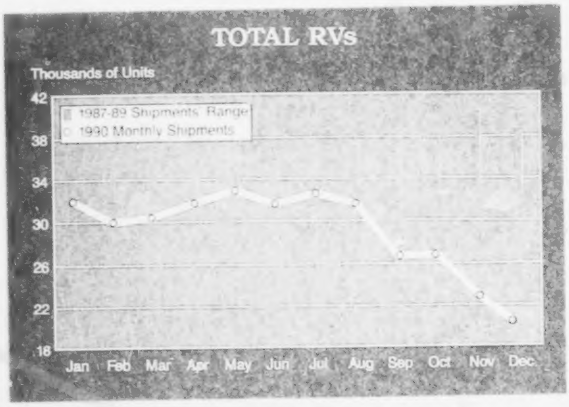

Figure 1

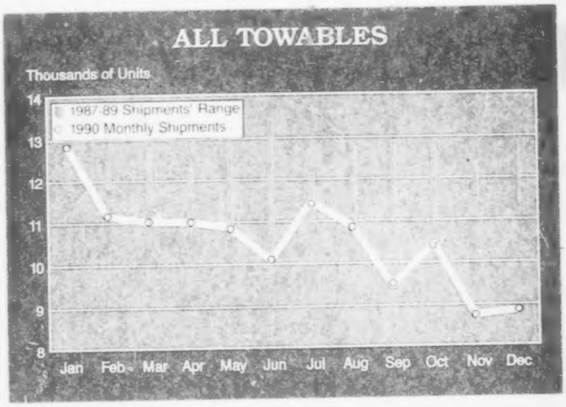

Figure 2

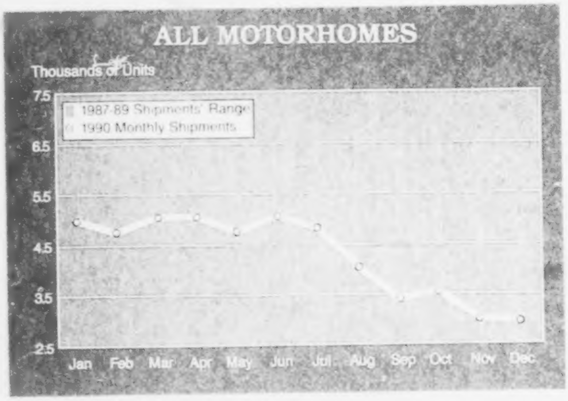

Figure 3

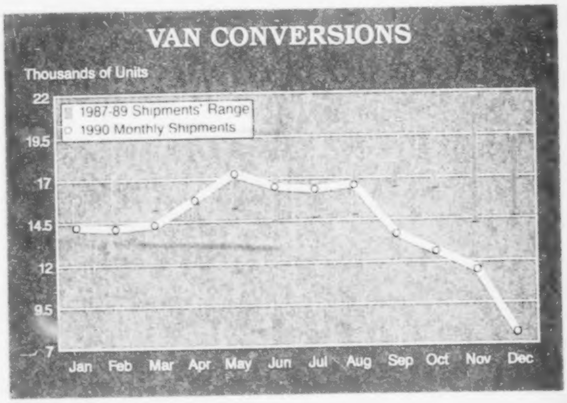

Figure 4

When the first RVIA shipment data for 1990 appeared, we began to display each month's figures in a comparison with the monthly range of the past three years. Figures 1 through 4 have followed that pattern each month. This graphic device was chosen to put shipments into a context of the recent past. Little did we realize that, month after month, our technique would highlight an unusually weak year.

Total shipments in December 1990, when adjusted for normal seasonal patterns, equaled less than 20,000 units. December 1990 marked the 11th time in 1990 that total shipments were below those of a year earlier. May of last year was the last month in which 1990's total shipments fell into the range of the preceding three years.

Although there is no questioning the weakness of the December numbers, it should be noted that the source of the problem for that month was isolated. Note in Figure 2 that towable shipments were up by more than 200 units from November. In Figure 3, it is clear that December was unchanged from November in terms of motorhome shipments.

The entire decline in the final month of 1990 took place in the van-conversion sector. Figure 4 shows that December van-conversion shipments equaled about half of the low for the preceding three years. When van conversions are excluded from the December numbers, the industry showed a gain of 1.5% in December over November 1990.

The Detailed View

1990 was clearly a bad year for motorized units. Motorhomes and van conversions both lost market share to towables. *(See Figure 5.)* All types of towables gained market share, while only isolated gains were made in the motorhome group.

Both motorhomes and van conversions got off to weak starts in 1990 and never recovered. In January 1990, motorhomes were running more than 15% behind the tally of January 1989. Since June 1990 was the only month in which 1990 motorhome shipments ran ahead of 1989, there was little chance for improvement. From July of last year onward, each month was worse than the same month a year earlier for motorhomes. In both November and December of last year, motorhome shipments ran 30% or more behind the same month in '89.

Within the motorhome group, Class B van campers did advance by nearly 20%, or 1,000 units, from 1989. The gain for micro-mini Class C's of 1,000 units (nearly 44%) over the previous year did not, however, offset other Class C losses, and the Class C motorhome group closed the year down by 16%. *(See Figure 6.)*

For the full year, motorhomes declined by nearly 8,900 units (14.5%). However, this was not as strong a decline as in 1989, when motorhomes fell by 12,000 units, or 16.5%.

Van conversions through July of last year were showing only a 4.6% deficit for the year-to-date, but then the Gulf Crisis erupted. The cumulative effect began to be felt, and, by September 1990, shipments of van conversions fell 16% below the same month of 1989. This was followed by monthly shortfalls of 25% and 42% in October and November respectively, when compared with the same months a year earlier. December then crowned the decline with a total of just 7,900 units, 53% less than in December '89.

Unlike motorhomes, van conversions suffered a much greater decline in 1990 than they did in 1989. Total units were down in '90 by 29,400 units, compared with a drop of less than 5,000 in 1989.

The decline in van conversions for the full year of 1990 was virtually identical in percentage terms (14.6%) to the decline of motorhomes. Thus, the motorized units seemed to have suffered similar distress due to the economic and geopolitical events of 1990.

Towables, by contrast, had a decline of 7,000 units, or 5.3% in 1990. This was less than half the nearly 16,000-unit (10.6%) decline of 1989. In contrast to motorhomes and van conversions, this group suffered only moderate discomfort during 1990.

Of interest in the towables group was the fact that all types of towables declined, but the losses were in a narrow range. Park models showed the least distress with a 1.5% drop, while folding camping trailers had the greatest decline of 8.9%.

PERCENT MARKET SHARE BY TYPE OF UNIT

(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.71	22.83	1.89
Conventional	14.77	13.52	1.25
Park Models	2.07	1.87	0.21
Fifth-wheels	7.87	7.44	0.42
Folding Camping Trailers	8.80	8.56	0.24
Truck Campers	2.73	2.50	0.24
TOTAL TOWABLES	36.25	33.88	2.36
Motorhomes:			
Class A	8.22	8.92	−0.71
Class B Van Campers	1.68	1.25	0.44
Class C:	4.92	5.19	−0.27
Minis	3.80	4.25	−0.46
Low Profiles	0.19	0.36	−0.17
Micro-minis	0.93	0.57	0.36
TOTAL MOTORHOMES	14.82	15.36	−0.54
Multiuse Van Conversions	48.93	50.76	−1.82

Percentages may not add to total because of rounding.

Figure 5

Bottoming Out?

It is tempting to look at the data for the past three months and assume a climax to the shipments decline that has plagued the industry in 1989 and 1990. These two years together represent a loss of 78,100 units, or about one-sixth of total output for 1988. This long slide is not the result of the Iraqi invasion of Kuwait, although that did deepen the slide. Rather, the problems rest with a general disinclination by consumers to assume new debt and a faltering of the consumer-durables industry in general. Precisely why these trends are occurring is not known.

Some analysts would say the problems lie with consumer confidence, which has fallen so low so dramatically. But, as we have seen, the problems in the RV industry began long before there was a question of consumer confidence.

In fact, 1989 was the great year of good feeling, when the wall in Berlin came down and the peace dividend was a topic for general discussion. Yet 1989 was not a good year for the RV industry. The problems here are deeper and more far-reaching than the superficialities of confidence surveys.

Perhaps we are witnessing an adjustment of consumer debt because too many consumers (and too many lending institutions) have become overextended. With real-estate values in many parts of the country no longer rising, the balance sheets of many consumers do not look as strong as in past years. There is less equity in that home than there used to be; hence, the borrowing capacity of many consumers has been reduced. Maybe when the real-estate markets bottom out in depressed areas of the Northeast and Southwest, we will find a rejuvenated consumer durable-goods market in which the RV industry can thrive. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS BY TYPE OF UNIT
([illegible]justed for seasonal variation)

Type of Units	Dec. '90	Change from Nov. '90 Number	%	Year-to-Date 1990	1989	Change Number	%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Travel Trailers:	6,220	30	0.6	86,670	90,390	−3,720	−4.1
Conventional	4,090	600	17.1	51,800	53,530	−1,730	−3.2
Park Models	640	90	16.0	7,270	7,390	−110	−1.5
Fifth-wheels	1,490	−650	−30.5	27,590	29,470	−1,880	−6.4
Folding Camping Trailers	2,080	130	6.8	30,870	33,910	−3,030	−8.9
Truck Campers	640	30	4.3	9,590	9,880	−290	−3.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motorhomes:							
Class A	1,640	50	3.1	28,810	35,340	−6,530	−18.5
Class B Van Campers	400	−50	−10.9	5,910	4,940	960	19.5
Class C:	1,000	0	−0.4	17,250	20,540	−3,280	−16.0
– Minis	740	−20	−3.1	13,320	16,850	−3,520	−20.9
– Low Profiles	150	150	n/a	660	1,420	−750	−53.2
– Micro-minis	110	−130	−55.7	3,270	2,270	990	43.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Multiuse Van Conversions	7,870	−3,310	−29.6	171,620	200,990	−29,380	−14.6

Note: Data rounded to nearest 10 units.

Figure 6

GRAPHICS: DIGITAL LIFE

RV BUSINESS

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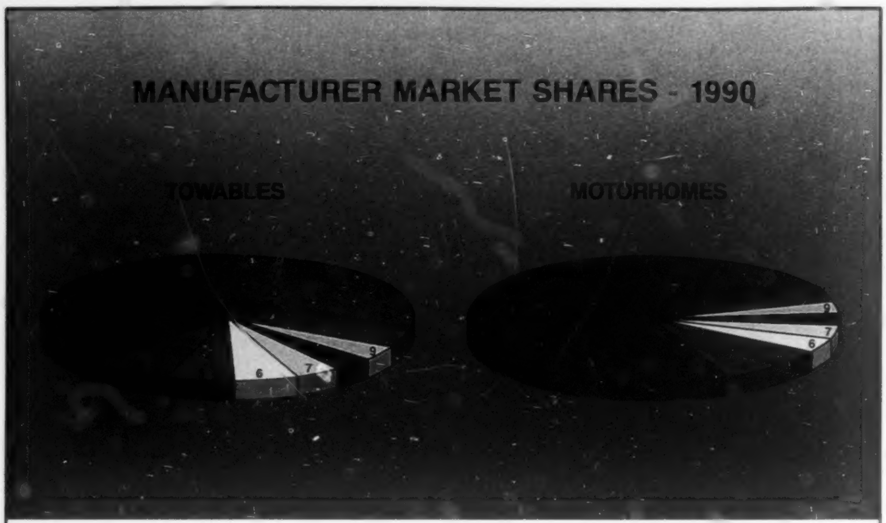

TOWABLES Company	Share	MOTORHOMES Company	Share
1. Fleetwood Enterprises Inc.	19.5%	1. Fleetwood Enterprises Inc.	30.9%
2. Coleman (Fleetwood)	8.9%	2. Winnebago Industries Inc.	16.8%
3. Jayco Inc.	7.8%	3. Coachmen Industries Inc.	7.6%
4. Skyline Corp.	6.9%	4. Mallard Coach Co. Inc.	5.2%
5. Coachmen Industries Inc.	5.6%	5. Gulf Stream Coach Inc.	4.2%
6. Starcraft Corp.	5.5%	6. Holiday Rambler Corp.	3.8%
7. Kit Mfg. Co.	3.7%	7. Tiffin Motor Homes Inc.	3.2%
8. Mallard Coach Co. Inc.	3.6%	8. Georgie Boy Mfg. Inc.	2.9%
9. Dutchmen Mfg. Inc.	3.4%	9. National RV Inc.	2.9%
10. Cobra-Van American Inc.	3.3%	10. Rexhall Industries Inc.	2.0%
11. Other	31.8%	11. Other	20.5%

RV Leaders Hold Top Spots in Tough '90 Market

RV manufacturers that commanded the largest retail market shares in 1989 ceded little ground to their competitors in 1990, a year that will be remembered as one of the toughest on record because of the war and the soft economy.

How tough was 1990? Total motorhome retail sales were down 19.5% for calendar 1990, while retail sales of towable RVs, with the exception of park models, were down 3.7%, according to Tom Walworth, general manager of Statistical Surveys Inc. (SSI), a Grand Rapids, Mich.-based RV industry reporting service.

"The market basically collapsed after August," summed up Walworth, adding that even an "average" fall and winter this year should reflect sizable gains over 1990. "You've got four months (September-December) that should easily outperform 1990 because things were so tight last year," noted Walworth.

Riverside, Calif.-based Fleet-

continued on page 13

Industry Hopes for Peace Bonus

Coachmen Industries Inc. Chairman Tom Corson believes the speedy resolution of the Persian Gulf War may have been just the shot in the arm that the RV industry needed to insure that 1991 sales outperform a sluggish 1990. And he's not alone.

A number of RV-manufacturing executives also viewed the war's end as a potential boost to the American consumer's flagging confidence. Yet most of them remained wary of the recession's continuing drag on consumer incomes and corporate profits and did not predict an immediate turnaround.

"I think that the American public has every reason to have an enhanced pride in themselves and their country," summed up Corson, whose firm is based in Elkhart, Ind. "And I think that's going to do a lot toward improving consumer

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COVER COMPUTER GRAPHICS: DIGITAL LIFE

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RV LEADERS *from cover*

wood Enterprises Inc. once more led SSI's rankings of both the top-10 motorhome and top-10 travel-trailer makers for 1990. In motorized, Fleetwood (with 30.9% of the U.S. retail market) also was again followed by Winnebago Industries Inc., Forest City, Iowa (with a 16.8% market share); Coachmen Industries Inc., Elkhart, Ind. (7.6%); Mallard Coach Co. Inc., Nappanee, Ind. (5.2%); Gulf Stream Coach Inc., also of Nappanee (4.2%); and Holiday Rambler Corp., Wakarusa, Ind. (3.8%).

There were some changes in the rankings from 1989, however. Tiffin Motor Homes Inc., Red Bay, Ala. (with a 3.2% retail-market share), leapfrogged over Georgie Boy Manufacturing Inc., Edwardsburg, Mich., into seventh place, while Georgie Boy, with a 2.9% market share, slipped to eighth. In the ninth-place spot, National RV Inc., Perris, Calif., also had a 2.9% share but was 24 units behind Georgie Boy. Rexhall Industries Inc., Saugus, Calif. (with 2.0% of the retail market) made its first top-10 appearance in the final position, replacing now-defunct Vyquest Inc.

In 1990, six towable manufacturers also held onto their top-10 positions from 1989: Fleetwood (19.5%); Coleman by Fleetwood (8.9%); Jayco Inc., Middlebury, Ind. (7.8%); Skyline Corp., Elkhart, Ind. (6.9%); Coachmen (5.6%) and Starcraft Corp., Goshen, Ind. (5.5%).

However, Kit Manufacturing Co., Long Beach, Calif., (with a 3.7% market share) stepped around Mallard to gain seventh place. Mallard, at 3.6% of retail sales, was eighth. Meanwhile, two Goshen, Ind., companies specializing in low-cost products – Dutchmen Manufacturing Inc. (3.4%) and Cobra-Van American Inc. (3.3%) – finished ninth and 10th, respectively, bumping out Vanguard Industries of Michigan Inc., Colon, Mich., and Holiday Rambler. Δ – *Sherman Goldenberg*

Dutchmen
Dutchmen

PRODUCTS

Dutchmen Adds Upgraded Royal Towables

Three-year-old Dutchmen Manufacturing Inc., Goshen, Ind., has introduced a new line of upgraded, radius-style Dutchmen Royal travel trailers and fifth-wheels to supplement its mainstay Classic lineup. Dutchmen President Dave Hoefer said the Royal, which will sell for "$3,000 to $5,000 under the competition and about $1,000 more than the Classic," features upscaled interiors, as well as exteriors with radius corners and fiberglass front and rear caps. Otherwise, said Hoefer, the new line is available in the same highly packaged format (with few optional features), the same lengths (22 feet to 35 feet) and the same basic construction style (wood-frame with mesa-aluminum skin) as the Classic line. "This new line was requested by Dutchmen dealers, who were asking us for a reasonably priced, upper-end unit that would maintain the same exclusivity that they've had with the existing Dutchmen line," explained Hoefer, whose firm finished calendar 1990 as the nation's No. 3 travel-trailer maker. "It is only for Dutchmen dealers. It will not be sold outside of that dealer base." Δ – *Sherman Goldenberg*

PARK-TRAILER *from page 7*

and positive move away from past experience, manufacturers who attended the Elkhart meeting also expressed a nearly unanimous belief that aftermarket add-ons and lofted trailers should not carry RVIA seals of approval if they are going to reflect negatively on park-model manufacturers as a group. "The feeling was that if it wasn't good for us as a group, then we should eliminate it as an issue," Foltz stated.

At RVIA, Bruce Hopkins, vice president of standards, said that the park-model committee's request for a permanent seat on the board will be taken up at the next RVIA board meeting. And, in response to questions from park-trailer manufacturers about how their ranks were being viewed by representatives from other segments of the industry, Hopkins added, "The membership at large is beginning to respond positively to some of the changes already made and is very pleased at the direction that the park-trailer manufacturers are taking. There is a feeling that many of the old negatives are being addressed and that the group is moving in the right direction."

Among the new directions for the park-model group are plans for an educational videotape that would address the questions of what is a park-model trailer, how it is used and who uses it, said Foltz. He noted that the primary audience for the tape would be state and local tourism and regulatory agencies, as well as groups like the National Campground Owners Association (NCOA) and various state campground owner groups.

"Having an educational videotape available for use by our members can be a tremendous tool in helping to address some of the misconceptions about the product. Also, it can be a great help in suppporting trailer owners and campground owners, who are increasingly finding themselves the target of regulatory or legislative action from state and local governments. We want to show those local entities that this is a viable and marketable product that is in demand by consumers and is something that can be an asset to their region, especially as more and more emphasis is given to destination camping," Foltz explained.

Dave Gorin, executive vice president of NCOA, backed the park-model initiative, noting that his membership sees the park-model educational issue as "extraordinarily important" for both campground owners and park-trailer builders. "We think that too many of the codes and other impediments to park trailers are being driven by local issues and are not a realistic reflection of how these units are used," Gorin observed. "To correct that, we are in the process of trying to come up with a model code for campgrounds and RV parks."

Foltz added that the group has another video planned after the completion of the first project. That video also will address the issue of what is a park model, but it will be aimed at the wholesale and retail financing market. Δ – *Robert Longsdorf Jr.*

Moral Hazard?

RVIA says that more states are expected to apply lemon laws to motorhomes. "Consumers are more 'connected' to their legislators than ever before, and they want to know which manufacturer (chassis or house half) is responsible for making them whole under the lemon law," says an RVIA bulletin. "RVIA is working with chassis manufacturers to develop voluntary arbitration agreements to attempt to resolve claims between RVIA members and their chassis manufacturers," says the communique. But the situation reminds me of the definition of "moral hazard," an insurance term describing a situation "when the method of insurance alters the behavior of the insured . . . " For example: if the contents of a car are insured, people are more lackadaisical toward protecting it.

Circles

Alexander Kostellow, the founder of the Pratt Institute's Industrial Design curriculum (some Pratt graduates design RVs), said, "I feel that function is an expression of a time, and that aesthetic reactions influence man-made form, and we in turn are influenced by them."

No More Turkey Bait

A pair of enterprising con men have been trying to scam Alabama dealers out of a motorhome. In one case they negotiated for a retailer's entire inventory. Thus, when the police finally caught the duo, James Dickson of Dickson Campers, in Mobile, exclaimed, "Hot Dang! The turkeys are in the coop!" —*RVDA News*, February 1991

Plenty of Money

Retail lenders haven't been discouraged by the hiatus in RV sales. In fact, they are standing by with full bags of gold waiting for the right deals. Finance execs, though, say that buyer quality isn't as good as they would like to see it. Translated, that means that lenders are applying tough criteria to new applications and aren't accepting marginal deals just to build their portfolios. That seems to jibe with retailer experience: Several concur that "the payment buyer" is back in the market scouting for deals. Used and very-low-price new pieces are thus leading the sales charts. It's often tough to get credit approved. Overall, though, RV dealers are still in a much better position than their brethren in the marine business. There, lenders are noticeably a rarer species and much, much more cautious about taking deals.

Why We Had a Recession

The following analysis appeared in the March 1991 *Chicago Fed Letter*, published by the Federal Reserve Bank of Chicago: "Based on economic fundamentals, the current recession shouldn't be happening. The economy was headed for, in fact had probably achieved, the often-discussed but never experienced soft landing envisioned by policymakers and analysts alike. Unfortunately, having landed safely at the airport, the economy was struck by a runaway oil truck while taxiing to the gate. The damage came not so much from the accident — it wasn't that large a truck — but from worries about whether there were any more runaway trucks lurking just out of sight."

Warning to Show Operators

Here's a true story: For several years, a group of dealers have held a local show that has generated substantial retail sales for them. To keep things fair, one of the show rules is that there can't be a duplication of brands. (In other words, Brand "X" can only be shown by one dealer.) Thus, when a dealer for a brand that is already represented applies for space, he is turned down. The rejected dealer reasons that the show is an important source of potential business for him and that his competitors are barring his access to that resource. He sues under the Sherman Act. After a long process in which attorneys log a lot of hours, it's clear to the show operators that they had better settle. They eliminate the brand-exclusivity rule, pay the plaintiff's attorney fees (Ouch!) and then treat the ousted dealer to three years of free rent in their show.

What the Numbers Say

A just-completed RVDA survey of members* reveals the following information about dealers:

Annual Sales (in millions of dollars)	**% of Respondents**
0.0-1.5	9
1.5-3.0	33
3.0-5.0	29
5.0-10.0	22
10.0 or more	7

Years in Business	**% of Respondents**
1-5	10.3
6-10	14.0
11-15	16.0
16 or more	60.0

Type RV Sold	**% of Respondents**
Class A	70.0
Class B	6.6
Class C	64.3
Fifth-wheel	82.0
Travel Trailer	82.0
Folding Camper	41.4
Pickup Cap	34.8

*There were 300 respondents to this survey.

The New Sales Tool

By 1992, 70% of television-owning households will also own a videotape recorder. Δ

—John Thompson

ECONOMIC RECOVERY INDICATED

MORTON J. MARCUS

As these words go into print, the economy of the United States may be emerging from the recession. There is a growing belief among economists that the bottom of this recession may well have occurred.

When Iraq marched into Kuwait, RV shipments dropped by 25%. The rise in petroleum prices squeezed consumers, and postponable purchases were put aside. The uncertainty of the last quarter in 1990 was due to the possibility of war. That uncertainty has been removed. Petroleum prices are back down to where they were before the Iraqi aggression. Interest rates have declined. The scene is set for a resumption of slow economic growth.

RV Improvements

Our current forecast indicates that the bottom for RV shipments was reached in the last quarter of 1990. Our model of the U.S. economy and the RV industry is showing a steady recovery starting in the first quarter of 1991. *(See Figure 1.)*

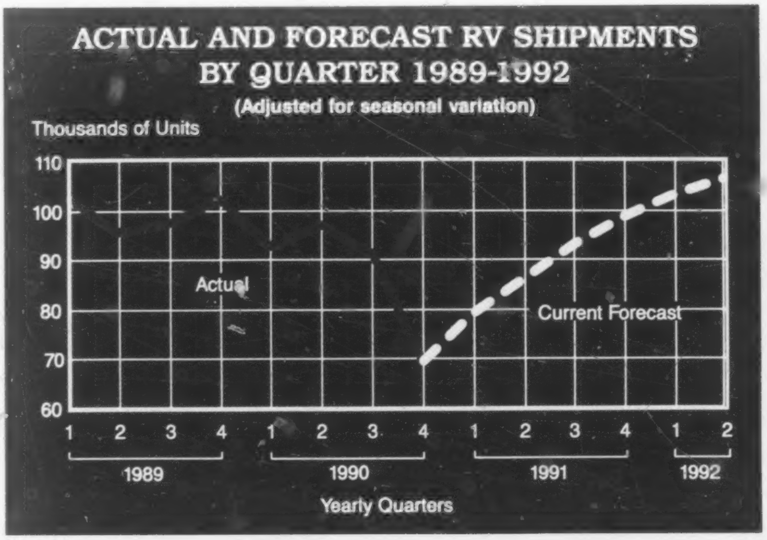

Figure 1

With this forecast, we look into the first half of 1992 and see an industry that exceeds its 1989 performance levels. By the first quarter of next year, the model indicates that total RV shipments could again top the 100,000-unit level.

What Figure 1 does not show clearly is that the recovery slowly tapers off. The growth for the first quarter of 1991 is nearly 10,000 units, or 14%. By the second quarter of 1992, the growth rate is far less vigorous at just 3,400 units, or 3.3%. Hence, although recovering and growing, the growth rate of the industry will hit the brakes rather soon. No boom is in sight.

After declining by nearly 12% in the year just ended, total shipments should grow by nearly 2%. With a total shipment level of 357,300 units forecast for 1991, the industry will edge out 1990 by 6,800 units, but this does not return the industry to the 398,000-unit level of 1989.

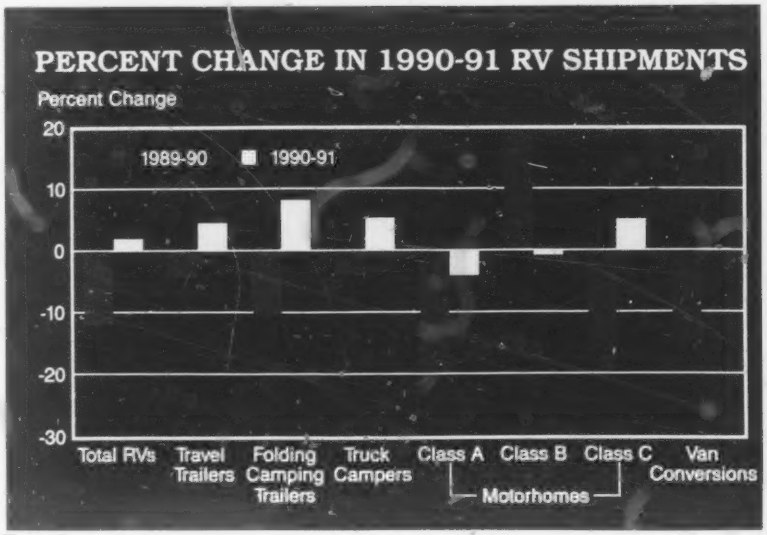

Figure 2

Detailed Forecasts

In Figure 2, annual rates of growth are shown for different groups of RV products. In most cases, shipments in 1991 are expected to rise above 1990 levels. On a year-to-year basis, folding camping trailers would be the leader for 1991 with nearly an 8% growth.

These annual data hide a basic fact. Whether year-end 1991 is better or worse than 1990, the trend within the year is rising for every group of RVs. Each segment of the market was hit strongly by the decline of the fourth quarter in 1990; hence, the growth of 1991 starts at a low point. Although each RV group advances during 1991, the progress made may not offset the sharp drop of the fourth quarter of 1990. Thus, shipments for 1991 may still come out a shade below those of 1990.

GRAPHICS: DIGITAL LIFE

QUARTERLY FORECAST

Class A motorhomes are a good example of these trends. The 1990 fourth-quarter drop was nearly 32%. Although steady progress is projected for 1991, the annual shipment level for the year ahead is expected to fall 4% short of the level for the entire year of 1990. To a lesser extent, this is also true for Class B motorhomes, although they did not decline for 1990.

Meanwhile, the drop for van conversions in the second half of 1990 was of such magnitude that the steady growth foreseen for 1991 still manages to do no more than restore the annual level of 1990.

The Economic Background

In 1990, exports and government spending moved the American economy forward. *(See Figure 3.)* Consumer spending grew by an anemic 1%, and business investment was only 0.5% better. A 6.2% increase in exports led the way. As the value of the dollar declined, our goods and services became more attractive in world markets and import growth slowed.

In 1991, the rest of the world will be the force pulling the United States out of its recession. This is made clear by the forecast in Figure 3. The strongest sector of growth is again exports, which are anticipated to rise by 5.3%. Consumers are not expected to show any particular leadership in spending.

After the modest rise in federal government expenditures in 1990, the budget problems of the government will decrease the capability of that sector to stimulate the economy. State and local governments, hit by the recession, will add less stimulus than in 1990. Business investment spending, adversely affected by poor profits, is expected to decline in 1991.

The annual numbers of Figure 3 suggest that, despite the dynamic processes (turmoil, if you wish) within each year, 1990 and 1991 will be viewed by history as very similar years. The big difference is that we start 1991 from a much lower point. The story of this year is the climb to regain last year's level.

To regain in 1991 what was lost during the last half of 1990, we rely on three positive forces, as shown in Figure 4. Interest rates are down. The value of the dollar is down. The rate of inflation is down. All of these elements contribute to recovery.

We are fortunate in that the unemployment rate of this recession is moderate. Hence, there will not be a decline in real disposable income, although we are in for a second straight year of little growth. It is the slow growth of real disposable personal income which retards the advances of the RV industry.

Working in favor of the industry is a sharp drop in the difference between the rise of motor-fuel prices and the general level of consumer prices. This relative price differential is important for motorized units. When motor-fuel prices are rising much faster than consumer prices in general, RV sales suffer. Narrowing that differential is beneficial to the industry.

The outlook for interest rates is somewhat positive. Lower rates will prevail in 1991 than in 1990, but there should be no expectation that rates will fall lower as the year progesses. In fact, rates should rise.

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION

	1989	1990	1991
Gross National Product	2.5	0.9	1.0
Consumer Spending	1.9	1.0	1.0
Business Investment	3.9	1.5	-0.1
Residential Investment	-4.0	-5.1	-6.9
Exports	11.0	6.2	5.3
Imports	6.0	3.1	3.1
Govt. Purchases			
Federal	2.1	2.7	1.4
State & Local	2.4	3.0	1.8

Figure 3

KEY FACTORS IN THE FORECAST

	1989	1990	1991
Prime Interest Rate (%)	10.9	10.0	8.5
Value of the Dollar (1973 = 100)	98.5	89.0	81.4
Unemployment Rate (%)	5.3	5.5	6.4
% Change at Annual Rates:			
Money Supply (M2)*	3.7	5.0	3.8
Real Disposable Personal income	2.4	0.8	0.5
Consumer Price Index	4.8	5.4	4.3
Food & Beverages	5.7	5.7	3.0
Motor-Fuel Prices	9.4	14.3	7.5

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

ANNUAL TRENDS

	1989	1990	1991
Unit Auto Sales (millions)	9.9	9.5	9.2
Unit Housing Starts (millions)	1.4	1.2	1.2
Personal Savings Rate (%)	4.6	4.6	4.2
% Change in Compensation per Manhours	3.3	3.1	4.0
Productivity	0.2	-0.7	1.6
Unit Labor Costs	3.0	3.9	2.4

(Compensation – Productivity = Unit Labor Costs)

Figure 5

We expect the Federal Reserve Board to be very cautious about increasing the money supply and allowing interest rates to fall much further than they have to this point in time. There are two reasons for this. First, there is still a strong concern about inflation, despite the generally good outlook. Second, lower interest rates will hasten the decline in the value of the dollar, which could give rise to inflationary forces through imports. Americans are slow to reduce imports, and if the dollar falls too rapidly, we will be importing goods that cost more so that our domestic prices will tend to rise. To avoid such inflationary pressures, the Fed will likely try to keep the dollar's decline moderate.

Although there is improvement ahead during the course of 1991, the annual sales level of autos and the vitality of the housing industry will remain below 1990's annual levels. *(See Figure 5.)* The continued slippage in these central industries keeps the American economy from advancing rapidly.

The good news is that there will be little inflationary pressure from labor costs. Although compensation per manhour is expected to rise by nearly 4% in 1991, there will be productivity growth of more than 1.5%. This keeps the growth in unit labor costs to less than 2.5%. That is the lowest cost-push factor in some time, and it will give business breathing room.

Summary

1991 will be a year of return but not necessarily of progress. Although we will see each successive quarter advance, we will be merely returning to where we were.

The war in the Persian Gulf provided no significant stimulus to the economy—but neither did it derail our progress. With the war behind us, the problems of the late 1980s remain: Our budget deficit remains high. Our productivity growth needs to be accelerated. Our international competitiveness needs to be strengthened.

The technological superiority of American weapons must be extended to all the products we make. We cannot achieve economic success by specializing in the instruments of war. We need to lead the world in the goods of peace. ∆

This forecast is a product of the Center for Econometric Model Research at Indiana University, R. Jeffery Green, director. The RV industry forecast was generated by Vinay Kansal; the written interpretation of these data, however, is the sole responsibility of the author. TL Enterprises Inc. is one of several private firms supporting the center and its quarterly forecasting activities.

RV BUS

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RVIA Economist Sees Strong '92 Recovery

The liberation of Kuwait will boost consumer confidence enough to bring the U.S. economy out of recession, but the turnaround will come too late this year to be of much help to the RV industry, predicted John DeWolf, economic consultant to RVIA, Reston, Va.

"The recession will be officially over in May or June," DeWolf forecast, "but the general economic turnaround will come after the spring RV-buying season is over."

However, DeWolf said he expects a weak 1991 to be followed by a strong recovery year.

Here are the specifics of DeWolf's forecast:

Class A motorhome shipments will decline 12% in 1991 to 25,600 units, down from 29,000 units in 1990. Then, demand should jump 35% to 34,500 units shipped for 1992.

Class B motorhome demand will decline 14% in 1991 to 5,100 units shipped, as compared with 5,900 units in 1990. Shipments should then climb 24% to 6,300 units in 1992.

Class C motorhome shipments will decline 17% in 1991 to 14,400 units and then increase 17% to 16,900 units in 1992, which is still below the 17,400-shipment total of 1990.

Shipments of travel trailers, fifth-wheels and park models are forecast to decline 14% to 75,100 units in 1991 and then increase 12% to 84,300 units in 1992. That towable shipments tally can be compared with 87,600 units wholesaled in 1990.

Folding camping trailers will decline 9% in 1991 to 27,800 units and then rebound with a 19% rise to 33,200 units in 1992, topping the 30,700 in 1990.

Van-conversion demand will decline 20% in 1991 to 140,000 units wholesaled, down from 174,200 units in 1990. Then, shipments are expected to leap by 30% to 185,000 units in 1992.

Shipments of truck campers are foreseen slipping only 1% in 1991 to 9,600 units, followed by an 18% jump to 11,300 units in 1992. That compares with 9,700 shipments in 1990.

In preparing his forecasts, DeWolf uses an econometric model that gives the greatest weight to two variables: the University of Michigan Index of Consumer Confidence and interest rates. Δ—*Jeff Kurowski*

RV Makers Report Rise in Orders, Boost Spring Production Goals

A post-war surge in consumer traffic, signs of a reviving economy and increased dealer orders spurred a number of major RV manufacturers to begin calling back workers and boosting output goals as the spring season opened.

After the layoffs and plant closings of late 1990, a quick roundup of RV makers found most cautiously upbeat about prospects for the spring and summer of this year:

- "We've seen a good influx of orders," said Wilbur Bontrager Jr., vice president, Jayco Inc., Middlebury, Ind. "And I would say this year's winter sales also ex-

see page 8

THE NEW TIDE OF CLASS A's: 1991 brings a wave of diverse new products. While trends to downsizing and diesels continue, new directions include a shift away from basements. See page 24.

Dealers Fear Credit Crunch Will Cramp Sales Revival

Amid signs that postwar euphoria is releasing a pent-up demand for RV products, dealers across the country are reporting concern over what they see as a tightening of both wholesale and retail credit—which could prevent them from capitalizing on some of the best market opportunities they have had in the past 18 months.

"The really frustrating thing for dealers right now," said Newt Kindlund, president of Holiday RV Superstores Inc., based in Orlando, Fla., "is that they see gasoline at around $1 a gallon, the prime rate at 9%, Fed funds under 7%, consumer confidence rising in the wake of a quick resolution of the Gulf War and an administration that is telling the Fed to loosen credit restrictions—yet we are in this situation where credit, on both the wholesale and retail side, is tighter than it has been in the past for our industry. Coming on the heels of a year-and-a-half

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7 Dealer Award Announced by RVDA, RVB
7 Fleetwood Adds Coronado Class A
7 Industry Reacts To Dutchmen's Warranty Program
8 Coachmen Seeks Trade Zone to Up Micro Sales
8 Ford Hopes '92 Econoline Aids Class C's
9 RVIA Honors Norcold's Matz, Good Sam Club
9 Chassis Makers See Sales Rise, Spot Shortages
10 RVIA Hears Unocal Chief on Energy Policy
11 Oklahoma Show Reports Return Of 'Buying Mood'
11 Chevy Unveils Its 'Ultimate Towing Vehicle'
12 Alpha Purchases Royal Roof Brand From Uniroyal

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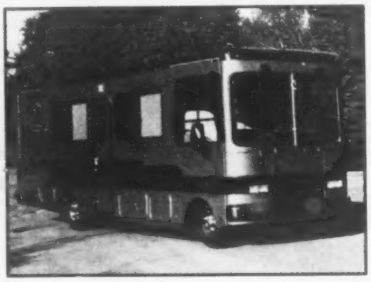

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The New Tide of Class A's 24

Emerging from a rough 1990 into a still-uncertain 1991 market, Class A manufacturers are offering a surprisingly broad variety of new products. Diversity and niche marketing are the keynotes, and new directions include a move away from basement models, a preference for standard-size units despite the downsizing trend, and growing popularity for diesel-powered coaches.

Class A Chassis Specifications 30

These technically detailed charts provide a useful comparative reference on the chassis-product specifications of all major Class A rail suppliers.

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IS THE RECESSION OVER?

MORTON J. MARCUS

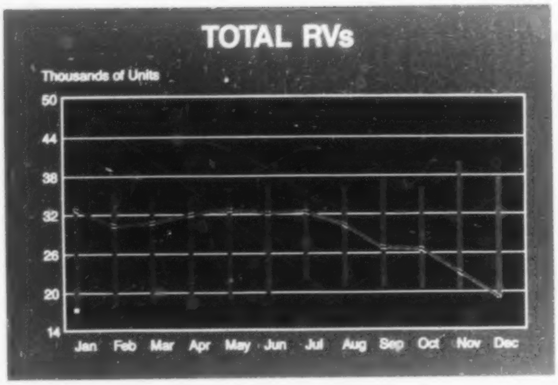

Figure 1

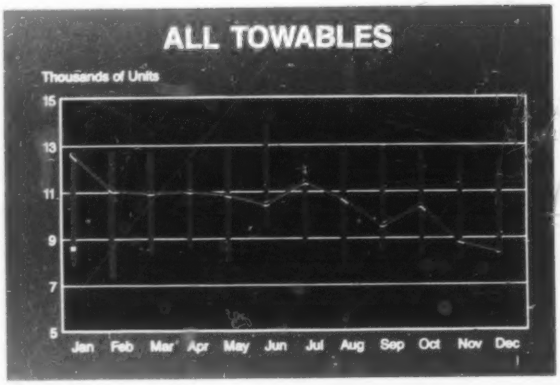

Figure 2

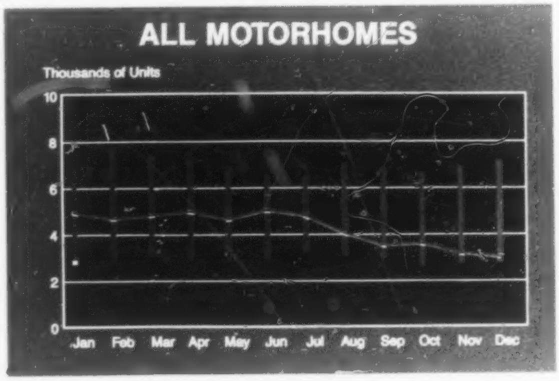

Figure 3

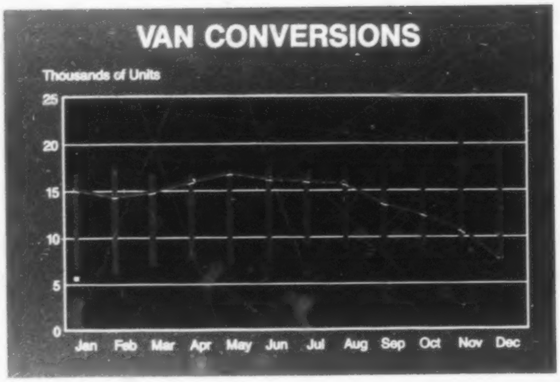

Figure 4

▨ 1981-90 Shipments' Range
■ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

The remarkable television coverage of the war in the Persian Gulf has inspired reporters to treat the recession in the same way. Economists are being asked repeatedly by anxious business news hounds "Has the last bomb fallen? Does this signal the end of the recession?"

An expectation has developed that the press can cover the end of the recession just as they covered the war – up close and personal. But recession is not like a war. There is no first shot, no last POW released. Recessions are more like a snowstorm. We do not know when the first flake falls nor where. That first flake may descend in the northern part of the city hours before any trace can be found in the southern suburbs. The last evidence of the storm may remain as a pile in a protected corner of a shopping-center parking lot for weeks after the last flake falls.

The January shipment data from RVIA, when adjusted for normal seasonal variations, indicates that the decline continues. January 1991 was the sixth consecutive month in which shipments were below the level of the preceding month. Since July of last year, when shipments were 32,640 units, the industry has fallen 46% to a level of 17,520 units. *(See Figure 1.)*

Perspective

With these first data for 1991, we have redesigned the figures that accompany these monthly reports to put our current situation in perspective. Figures 1 through 4 now offer a 10-year overview of RV shipments. The bars shown for each month represent the range of shipments during the period 1981 through 1990. This broad period of time allows us to see how current shipments (shown in yellow) fit into the industry's experience with recessions and expansions of the past decade.

January 1991 basically ties the low set for that month in January 1982 at the bottom of the last recession. Every one of the low

GRAPHICS: DIGITAL LIFE

points represented in Figure 1 for total RV shipments was set in the 1981-82 recession. January was the very bottom for the RV industry then, but there is no guarantee that history is repeating itself.

Towables improved in January from their December low for 1990. *(See Figure 2.)* For this group of units, all the lows also were set in the recession of 1981-82. During that recession, the low for January (and for the entire recession) was 7,890 units, 10% below the 8,750 units of this January.

In fact, at no point has this recession equaled the lows of the past. Motorhomes set all their lows in 1981. (The January figure for 1982 was only a 10-unit improvement over 1981, but this could be little more than rounding of the data.) January 1991, at 2,850 motorhome units, is still 2.5% above that 1981 low. As we follow this current recession via the data for 1990 and 1991 shown in Figure 3, it is evident that the present is not as bad as the past for motorhomes.

No similar claim can be made for van conversions. The downturn in this segment of the industry has broken through the lows of the 1981-82 recession. *(See Figure 4.)* At 5,920 units for January 1991, van conversions were nearly 14% below the 10-year range for the month; this is after December 1990 set the low for that month. Hence, for van conversions, this recession is worse than the recession of 1981-82. Van conversions are not suffering a record low, however. We need to go back to the 1979-80 recession to get even lower levels of shipments. From March through July of 1980, van-conversion shipments were below current levels, with the record low point at 4,280 units in May of that year.

The Detailed View

As seen in Figure 5, several types of RV units improved on their December 1990 performance. Towables as a group were up 3.5%, with strong gains in fifth-wheels and in folding camping trailers. Truck campers also advanced. These three types of units offset the 20% or higher declines for the month in conventional travel trailers and park models.

Among motorhomes, all three classes declined in volume from the preceding month. The setback in Class C units was confined, however, to low-profile units, with both minimotorhomes and micro-minis advancing.

Van conversions led the downward movement of the industry this January. In fact, if these units are removed from the numbers, there was a slight advance of 90 units in total RV shipments, or an increase of 0.8% in January 1991 from December. But with a 23% decline in van conversions, the aggregate numbers for the industry were pulled down by 8.8%.

Hence, there may be some reason to believe, or at least to hope, that the January numbers reinforce the sense of bottoming out, which was suggested in the December 1990 data.

Figure 6 compares this year to last year at the same point in time. Of course, we

RV SHIPMENTS – MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Jan. '91	Change from Dec. '90 Number	Change from Dec. '90 %	Change from Jan. '90 Number	Change from Jan. '90 %
TOTAL RVs	17,520	-1,690	-8.8	-15,490	-46.9
Travel Trailers:					
Conventional	3,000	-770	-20.4	-1,960	-39.5
Park Models	470	-130	-21.5	-90	-15.9
Fifth-wheels	1,920	430	28.9	-780	-28.8
All Travel Trailers	5,390	-470	-8.0	-2,830	-34.4
Folding Camping Trailers	2,650	700	36.0	-970	-26.8
Truck Campers	710	60	8.8	-140	-16.8
TOTAL TOWABLES	8,750	290	3.5	-3,940	-31.0
Motorhomes:					
Class A	1,510	-130	-8.0	-1,290	-46.1
Class B	380	-60	-12.8	-120	-23.3
Class C:					
Minis	750	10	1.4	-500	-40.0
Low-Profiles	0	-110	-100.0	-130	-100.0
Micro-minis	200	80	68.9	-110	-34.6
Class C Total	950	-20	-1.8	-740	-43.6
TOTAL MOTORHOMES	2,850	-200	-6.7	-2,140	-43.0
TOTAL TOWABLES & MOTORHOMES	11,600	90	0.8	-6,080	-34.4
Multiuse Van Conversions	5,920	-1,780	-23.1	-9,410	-61.4

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS – ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	%Market Share 1991	%Market Share 1990
TOTAL RVs	17,520	33,010	-15,490	-46.9	100.00	100.00
Travel Trailers:						
Conventional	3,000	4,960	-1,960	-39.5	17.13	15.03
Park Models	470	560	-90	-15.9	2.69	1.70
Fifth-wheels	1,920	2,700	-780	-28.8	10.97	8.18
All Travel Trailers	5,390	8,220	-2,830	-34.4	30.79	24.90
Folding Camping Trailers	2,650	3,620	-970	-26.8	15.13	10.97
Truck Campers	710	850	-140	-16.8	4.04	2.57
TOTAL TOWABLES	8,750	12,690	-3,940	-31.0	49.96	38.44
Motorhomes:						
Class A	1,510	2,800	-1,290	-46.1	8.61	8.48
Class B	380	500	-120	-23.3	2.19	1.51
Class C:						
Minis	750	1,250	-500	-40.0	4.28	3.79
Low-Profiles	0	130	-130	-100.0	0.00	0.39
Micro-minis	200	310	-110	-34.6	1.16	0.94
Class C Total	950	1,690	-740	-43.6	5.44	5.12
TOTAL MOTORHOMES	2,850	4,990	-2,140	-43.0	16.24	15.12
TOTAL TOWABLES & MOTORHOMES	11,600	17,680	-6,080	-34.4	66.20	53.56
Multiuse Van Conversions	5,920	15,330	-9,410	-61.4	33.80	46.44

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

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RVIA SHIPMENTS *continued*

have but one month's data to work with at this time. Total shipments were down 47% in January. Although all types of units were below their year-ago levels, van conversions were having the greatest problems, with a 61% decline. Their market share has fallen from 46% to just 34% in January.

> *Data confirm that the recession is basically affecting motorized units, paralleling the problems of the automotive industry.*

Towables, with a lesser decline of 31%, advanced to make up almost half the market. Folding camping trailers made the greatest market-share gain under these adverse conditions, picking up more than four share points. As a group, motorhomes made only a little progress as van conversions yielded market share.

Concluding Note

These data confirm observations made in this space in earlier months: The recession is basically affecting motorized units, paralleling the problems of the automotive industry. The end of the Persian Gulf War is expected to help counteract that trend. Consumer confidence, whatever that may be, is expected to improve and stimulate expenditures for durable goods. Lower interest rates mean that, as the winter months end, shoppers will find lower monthly payments are needed to finance their purchases. Gas prices are down, and the anxiety about their future course is behind us.

Above all else, spring training has started for baseball. With it comes renewed (if misplaced) optimism about the prospects for our favorite teams. With fans of the Chicago Cubs again believing that their heroes are preparing for a season of glory on the sunny fields of Arizona, the nation advances. Even Atlanta fans are cheerful. Surely, something is in the air. Perhaps it all bodes well for this industry. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

Beggs
MOTOR HOMES INC

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DOWN DECEMBER CAPPED BAD YEAR

TOM WALWORTH

According to year-end registration numbers for 1990, the motorhome market declined by 19.5% compared with 1989, while RV-trailer sales finished the year 3.7% behind the pace of '89.

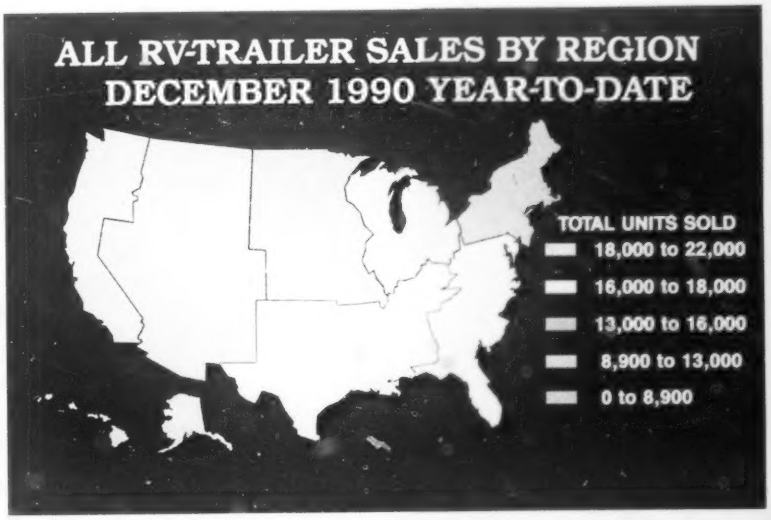
December 1990 put the finishing touches on what had been a tough year. Motorhome retail-sales figures for the month were off 41.4%, or 1,342 units, compared with December 1989. Figure 1 shows seven regions of the country ranked according to the percent change in December motorhome sales from the same month in 1989. The East North Central region topped the rankings, with Wisconsin reporting the largest gain. The Northeast fell to last place, and Rhode Island had the largest decline.

On a year-to-date basis, the motorhome market was off by 10,792 units, or 19.5%, from the previous year. Figure 2 ranks the same national regions by their percent of change in sales from 1989. The South Central region took the No. 1 spot, with Louisiana experiencing the largest increase. The Northeast once more trailed the pack, and Massachusetts was the biggest loser.

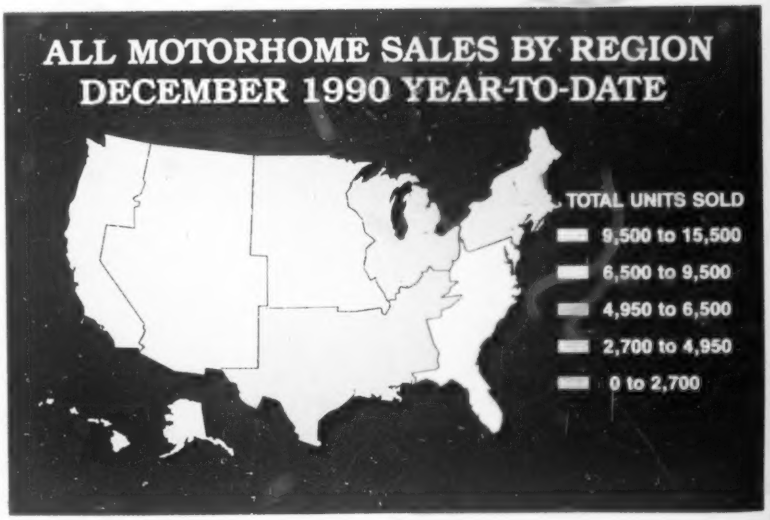
The RV-trailer market for December 1990 suffered a decline of 576 units, or a 12.1% drop compared with December 1989. Figure 3 provides a regional ranking according to the percentage change in trailer sales compared with December 1989. The East North Central region headed the regional ranking, with Wisconsin reporting the largest gain. The Northeast was bottom-ranked, with Massachusetts having the largest decline.

Year-to-date, the RV-trailer industry was down 3.7%, for a 4,188-unit decline compared with 1989. In Figure 4, the seven national regions are listed according to their percent of change from the previous year. The South Central region came in first, and Alabama reported the largest gain for the year. The Northeastern states lagged last, and New Hampshire had the largest drop.

After the Middle East crisis began in 1990, the RV industry faced a collapse of its retail market. However, RV trailers did better than motorhomes.



ALL RV-TRAILER SALES BY REGION
DECEMBER 1990 YEAR-TO-DATE



ALL MOTORHOME SALES BY REGION
DECEMBER 1990 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

GRAPHICS: DIGITAL LIF

AT RETAIL *continued*

We believe that it was uncertainty over gasoline prices and availability that led to the more severe decline of motorhome sales. In addition, the motorhome market experienced a loss in the number of competitors and their output. There were eight fewer motorhome manufacturers in 1990; those manufacturers had contributed a total of 3,700 units to 1989's retail-sales figures. Overall, the traditional motorhome market mix is changing. The demographics of the buyers and regional motorhome sales patterns are changing.

We expect the last half of 1991 to provide a much better sales climate for the RV-trailer and motorhome industries. Δ

MOTORHOMES, DEC. '90

Dec. '90 Rank	Region	% of Change From Dec. '89	Nov. '90 Rank
1	E.N. Central	-35.4	1
2	Mountain	-37.5	5
3	Pacific	-39.1	4
4	W.N. Central	-42.2	3
5	S. Central	-42.8	7
6	S. Atlantic	-44.0	2
7	Northeast	-52.2	6

Figure 1

MOTORHOMES, YEAR-TO-DATE

Dec. '90 Rank	Region	% of Change Year-to-Date	Nov. '90 Rank
1	S. Central	-15.1	1
2	Mountain	-16.9	2
3	Pacific	-17.1	3
4	W.N. Central	-18.0	4
5	S. Atlantic	-20.8	5
6	E.N. Central	-23.1	6
7	Northeast	-26.2	7

Figure 2

RV TRAILERS, DEC. '90

Dec. '90 Rank	Region	% of Change From Dec. '89	Nov. '90 Rank
1	E.N. Central	16.4	2
2	S. Central	- 5.9	3
3	Mountain	- 7.9	5
4	S. Atlantic	-15.4	1
5	W.N. Central	-16.5	6
6	Pacific	-18.6	4
7	Northeast	-25.0	7

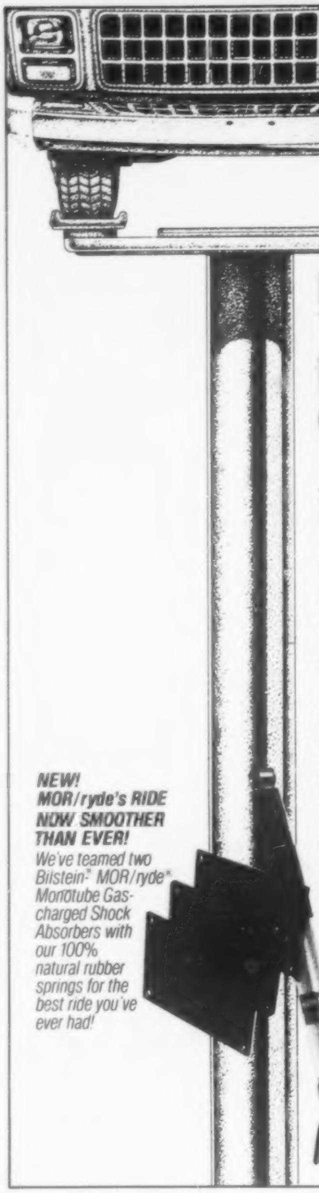
Figure 3

RV TRAILERS, YEAR-TO-DATE

Dec. '90 Rank	Region	% of Change Year-to-Date	Nov. '90 Rank
1	S. Central	6.0	1
2	Mountain	2.5	2
3	Pacific	- 0.8	3
4	W.N. Central	- 3.4	4
5	E.N. Central	- 4.7	6
6	S. Atlantic	- 5.2	5
7	Northeast	-16.5	7

Figure 4

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.



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'Packaging' By OEMs Draws Fire

OEM "packaging" – the tendency of RV makers to turn customer-pleasing accessories into standard features – is a marketing evolution that has become a revolutionary one in the past two years, driven by competitive, high-volume sales efforts.

Packaging programs have focused on including name-brand awnings, air conditioners and TV antennas as free or low-cost standard features in units. An array of other supplier products – from stereos to power jacks and free-standing chairs – also have been used to entice buyers.

For the consumer, especially the buyer of low-end units, the result is bottom-dollar pricing and less buyer confusion. However, the impact on RV manufacturers, suppliers and dealers is still being debated.

A number of corporate executives openly criticize the negative side effects of packaging: low profit margins, lost aftermarket sales and "generic" product marketing that undermines brand-name recognition.

Others argue that, in the current tough market, no legitimate means of closing a sale should be overlooked. "I just want manufacturers to do whatever they can to sell those RV units," summed up Tad Donnelly, president of Camping World Inc., Bowling Green, Ky., a large RV-accessory retailer that stands to lose an aftermarket sale every time a manufacturer packages a component. "If we get them out on the road, Camping World gets its fair shot at them."

Many RV distributors, whose livelihood depends on a thriving aftermarket for parts and ac-

continued on page 8

THE RV POWER TRIP: The growing array of electricity-hungry amenities in today's RVs is sparking technological improvement and innovation to meet the increased power demand – resulting in new products that range from smaller but more-powerful inverters to sophisticated multiplex control systems. See page 20.

Over 450 Van-Upfit Firms Meet NHTSA, Automakers on Seating

At a special two-day session, April 8-9, in South Bend, Ind., more than 450 van-conversion makers and suppliers met with representatives of Detroit's Big Three automakers, officials of the National Highway Traffic Safety Administration (NHTSA) and the RVIA leadership to study RV industry compliance with Federal Motor Vehicle Safety Standard (FMVSS) 208 affecting front outboard seating safety and testing.

Officials of RVIA, which hosted the meeting, characterized the session as "enlightening and encouraging" for van converters. At issue was compliance with FMVSS 208 safety standards for the construction and placement of the front outboard seating positions in vans, light trucks and multipurpose vehicles with gross vehicle weight ratings of 8,500 pounds or less and unloaded weights of 5,500 pounds or less. The deadline for compliance with the 208 standard is Sept. 1, 1991, and crash testing of seating systems is required to certify that all of the NHTSA requirements have

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7 NHTSA Adds Air Bags to RV Seating Rules

7 Rexhall Unveils 2 Bus-Style Class A Units

8 Amera Cruiser Closed Down

8 Cobra Opens Calif. Plant

9 Houston Show Reports Rebound In Sales Volume

9 Cruise America Adds 550 Units To '91 Fleet

10 Storm Hits Marlene Sine & Assoc.; 2 Hurt

11 Texas Is Top Destination State For Van Upfits

11 New Sound Technology Is Hot Trend

12 FMCA's Winter Rally Gets Good Turnout

13 German RVs Offer Downsized Aerodynamics

RV BUSINESS

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Coke adds life to... any get together

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Consumer demand for more and more electricity-hungry amenities is powering technological improvement and innovation in a range of electrical products—including inverters, converters, isolators, solar cells, wiring and controls.

Developing Political Clout 29

This brief how-to guide is aimed at helping RV dealers develop enough political muscle to defend their interests in the numerous RV-related legal and regulatory battles taking place today at the local and state levels.

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INDUSTRY NEWS

VAN CONVERTERS

Texas Is Top Destination for Conversion Shipments

Van-conversion companies may want to abandon well-stocked Midwest markets and do more prospecting deep in the heart of Texas, especially since 1990 year-end shipments data from RVIA, Reston, Va., shows Texas car dealers ordered more van conversions (a total of almost 17,200) than the car dealers in any other state.

Texas replaced Ohio as the No. 1 destination for van-conversion shipments last year. Ohio was the No. 1 conversion-buying state in 1989 and 1988. But in 1990, Ohio, where car dealers ordered a little more than 14,500 van conversions in that year, slipped to tie for third place with Illinois. Ohio and Illinois ended up behind California, which held the No. 2 spot, receiving almost 15,700 van conversions last year.

Michigan and Illinois were the second- and third-largest van conversion-buying states, respectively, in 1989 and 1988, but Illinois fell to third place last year, and Michigan dropped to fourth, with nearly 11,500 units.

Roy T. Boyd Jr., chairman of Mark III Industries Inc., Ocala, Fla., the nation's largest-volume van converter, thinks one explanation for these shifts is that northern Indiana van-conversion manufacturers have filled the pipeline at auto dealers in the three big Midwestern states. "Ohio has been a dumping ground for all those Indiana converters," Boyd said. "Maybe it's reached a saturation point."

Boyd continued, "I don't think Texas is a fluke. Texas went into recession first, so car dealers cut back there earlier because the van conversion is a secondary product. Now maybe the oil business is pulling Texas out of recession."

At Glaval Inc., Elkhart, Ind., Vice President of Sales Kevin Slater said: "There might be some overstuffed baskets in the Midwest in terms of dealer inventory. But dealer inventories (in the Midwest) are coming back in line since retail has improved following the liberation of Kuwait."

However, Mike Mishler, president of Tiara Motor Coach Inc., Nappanee, Ind., and Greg Hardin, vice president of sales, Starcraft Automotive Corp., Goshen, Ind., do not believe any real regional shift in van-conversion demand has occurred. "Our Texas business is decent, but our major business still is Ohio, Michigan and Illinois," Mishler said.

"I've seen a huge increase in our Texas sales (during February and March), but the Midwest states haven't reached saturation," Hardin added. Δ—*Jeff Kurowski*

REGIONAL VAN-CONVERSION DATA

Top Five Van-Conversion Shipments Destination States*

	1990	1989
Texas	17,200	12,900
California	15,700	13,050
Ohio	14,500	19,700
Illinois	14,500	13,800
Michigan	11,500	15,100

Top Six Van-Conversion Production States*

	1990	1989
Indiana	71,300	84,300
Florida	36,050	39,900
Texas	10,450	9,100
Michigan	7,800	8,000
Georgia	7,600	13,700
California	7,050	11,900

*Data from RVIA

DEALERS

New Calif. RV Mall Seeks Spring '92 Opening

A new RV-sales mall in Camarillo, Calif., is expected to soon gain city approval so that construction could begin by this summer, according to Frank Bryant of Villelli Enterprises Inc., the developer of the existing 22-acre, 13-dealer American RV Expo mall in Colton, Calif.

The "American RV Sales Mall" in Camarillo will cover 30 acres, including 500,000 square feet of sales lots, 60,000 square feet of service buildings and a 30,000-square-foot aftermarket retail store, said Bryant. There will also be a vacation-planning center and a storage facility. Δ—*Kim Hutton*

SUPPLIERS

Latest Sound-System Technology Is Hot Trend

One of the hottest new items in stereo sound systems is digital audio processing, which can provide concert-hall type sound in the confines of a tow vehicle or RV.

Yamaha Electronics Products, Buena Park, Calif., introduced the first home units a few years ago, called DSP-1 (digital signal processing). Then, last year, Eclipse Car Audio, Torrance, Calif., introduced the first automotive units.

In 1991, Sony Corp. of America, Park Ridge, N.J.; Rockford Fosgate, Tempe, Ariz.; JVC Co. of America, Elmwood Park, N.J.; Pioneer Electronics USA Inc., Long Beach, Calif.; Clarion Sales Corp., Gardena, Calif.; and other aftermarket firms introduced their own units at the recent Consumer Electronics Show in Las Vegas, Nev.

Digital audio processing simulates the kind of reverberations that sound makes in a large space, like a concert hall, where sound can bounce off walls, ceilings and floors. "It is the reflected sound that cues the brain that you're in a bigger space than you actually are when traveling in a motor vehicle," explained Michael Williams, manager of audio systems marketing for Delco Electronics Corp., Kokomo, Ind., which is developing a highly sophisticated system that it plans to introduce in a few years.

The move by Delco, a subsidiary of General Motors Corp., Detroit, Mich., to offer the new sound-system in Detroit products is paralleled by efforts at Chrysler Corp.'s Acustar Inc. subsidiary, Troy, Mich., which is similarly researching digital processing in conjunction with Philips Electronics Corp., according to an Acustar spokesman.

Meanwhile, Ford Motor Co., Dearborn, Mich., has already displayed a less sophisticated version called Digital Signal Processing (DSP) in its Lincoln Continental CCV, a concept vehicle. Officials haven't begun marketing the system but said that they plan to do so.

A system like Ford's DSP allows the vehicle's stereo to simulate, at the push of a button, a live performance as it would sound inside an opera house or sports stadium, according to Don Duncan, manager of planning, marketing and business development for Ford Audio Systems and Driver Information, a unit of its Electronics Division. He said DSP will be to today's sound systems what stereo was to mono: "It actually adds another dimension."

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RV BUSINESS

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BETHESDA MD 20814

MAY 17, 1991

7 **Mallard Debuts Compact Unit for U.S., Foreign Sale**

7 **1990's Leading RV Manufacturers Are Honored**

8 **Automakers Offer Incentives on Van Conversions**

8 **NVCA Showcase Reflects Expanded Membership**

8 **RV Owner Buys Elite Assets, Founds Firm**

9 **Ready-Made Seat Kit Offers Way To Meet FMVSS**

10 **Travel Rama Files Chap. 11**

10 **ABI Leisure Names New Top Officers**

11 **Mitchell Coach Purchases Vogue Assets**

11 **States Push RV Stickers On FMVSS**

12 **Choo Choo Customs Files Bankruptcy**

MALLARD DEBUTS COMPACT COACH: Mallard Coach Co. is targeting both domestic and foreign markets with a small, versatile Class A. See our news story on page 7.

Top Van Converters Report Sales Turnaround

The improvement in consumer confidence following the liberation of Kuwait led to a burst of activity at van-conversion manufacturers, reported several high-volume converters in late March and April.

The turnaround was dramatic according to spokesmen for Mark III Industries Inc., Ocala, Fla.; Glaval Inc., Elkhart, Ind.; Tiara Motor Coach Inc., Nappanee, Ind.; and Starcraft Automotive Corp., Goshen, Ind. All predicted the wholesale and retail markets would remain strong for the rest of 1991.

Despite a 59% decline in van conversion shipments when the first two months of 1991 are compared with last year, spring sales indicated a strong rebound, said leading converters. They issued the following output forecasts for their firms for the remainder of the 1991 calendar year:

- Mark III: 30,000 units in 1991, compared with 23,000 units in 1990.
- Glaval: Shipment of 18,000 units in 1991, compared with 16,000 units in 1990.
- Tiara: 13,000 units shipped in 1991, compared with 11,000 units in 1990.
- Starcraft: 12,000 units in 1991, compared with the new ownership's original goal of 10,000 for this year.

At Mark III, the largest-volume converter, Chairman Roy T. Boyd Jr. noted that demand was outstripping supply, with the converter building 95 units a day and selling 130 units a day as of mid-April. Boyd said he planned to increase Mark III

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Micro Makers, NHTSA Agree To Recall 10,000 Units

Four micro-minimotorhome manufacturers and the National Highway Traffic Safety Administration (NHTSA) have taken the first step in settlement of NHTSA's four-year micro investigation by launching a formal recall of some 10,000 allegedly defective units mounted on Toyota chassis.

Under the terms of a settlement announced in April, recalls will be initiated by Coachmen Industries Inc., Elkhart, Ind.; Gardner-Pacific Corp., Vallejo, Calif.; Leisure Odyssey Inc., San Bernardino, Calif.; and National RV, Perris, Calif. Units involved are those manufactured from 1978 to 1986 and equipped with aftermarket dual-rear-wheel assemblies.

Coachmen is slated to recall a total of 967 units, and Gardner-Pacific will recall approximatley 906 units manufactured under the Sunrader logo. National RV will send notices to about 8,000 owners of Dolphin micros. At presstime, NHTSA officials reported that talks were "ongoing" with Leisure Odyssey but that the company had agreed to recall 180 units manufactured between January and October of 1985.

The micro units involved in the recalls will have the semi-floating rear-axle assembly replaced with a full-floating rear axle manufactured by Japan-based Toyota Corp. The new axles are reportedly being turned out in a special production run that Toyota has de-

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FEATURES

Camping Trailers Come Back 22
After a two-year decline, makers of folding camping trailers foresee a rebound this year. A hallmark of 1991 is likely to be the impact of increased consolidation and competition among the top five manufacturers, who already control 85% of the market.
Slide-ins Stay Strong 26
Truck campers were one of the few bright spots for the industry in 1990, and manufacturers predict that 1991 will see continued market strength at all price levels. One area to watch: the entry of industry giant Fleetwood Enterprises Inc. as a national marketer of slide-in campers.

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COVER ILLUSTRATION: MALLARD COACH CO. INC.

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FEBRUARY BUMPS ALONG AT THE BOTTOM OF RECESSION

MORTON J. MARCUS

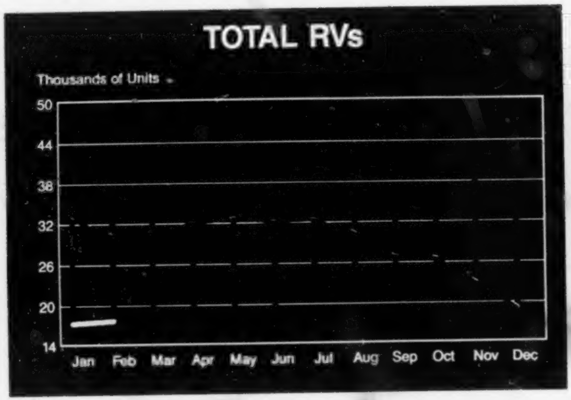

Figure 1

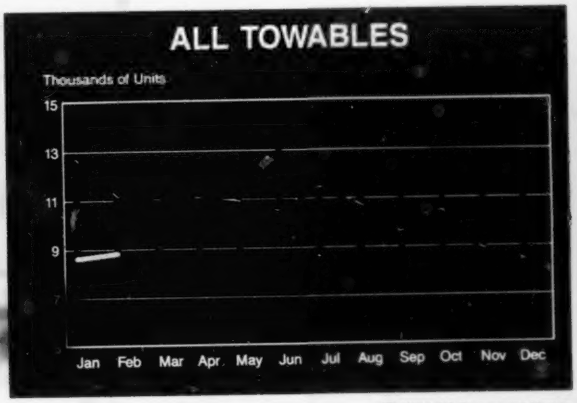

Figure 2

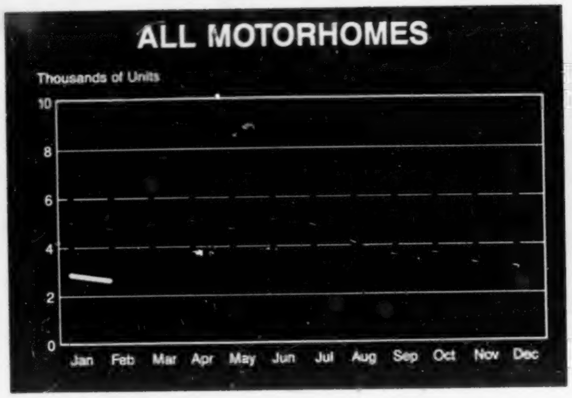

Figure 3

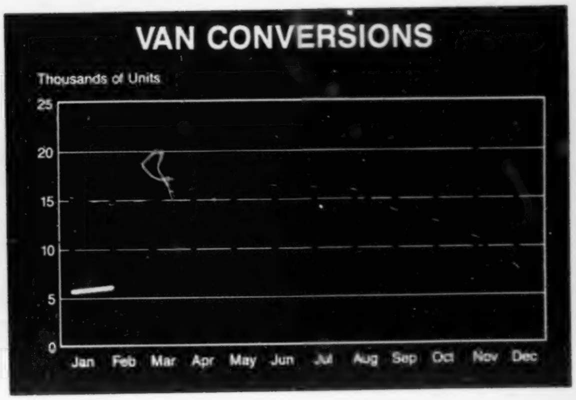

Figure 4

Business cycles have several stages. From a peak, there is a downward movement that we think of as a "recession." Once the downward movement has stopped but before an upward trend is established, we have a "bottom" or trough, which can be of short or long duration. Then there is an upward return to the previous peak, which is called a "recovery." Movement beyond the previous peak is an "expansion," which often ends with a flatness just before or after a new peak.

The economic news for February indicated the end of the recession and entry into the bottomland of the cycle. Housing starts were up, retail trade had improved, and auto sales were advancing. The war in Kuwait and Iraq was a television sensation. Toy makers, in anticipation of a great Christmas season, were preparing to redesign GI Joe to look like Stormin' Norman. And A.J. Foyt was getting ready for some more fast turns around the track at Indy.

But at the bottom, the economy does not race. It struggles to get off the ground. Wilbur Wright would be a better role model than an Indy 500 car driver.

How the economy looks is a function of the news that we hear. There are two types of news: 1. what actually happens; and 2. what happens in response to what actually happens.

Sales and profits are examples of the first type. Announcements of layoffs (as with Sears, IBM and USAir) are examples of the second type. Those announced employment reductions were responses to previous bad profits. There may never be actual layoffs; instead, new people may not be

GRAPHICS: DIGITAL LIF

hired at some unspecified time in the future. We hear it now and think of it as today, but it may only exist tomorrow.

The RV Perspective

News from the RV industry for February was consistent with the upbeat pulse of the month. But although the industry was still dancing, the music continued to be a minuet rather than a rumba. Total shipments reported by RVIA, after adjustment for seasonal variation, were up for the month. However, as you look at Figure 1, you may have trouble seeing the increase without aid of a powerful magnifying glass. The improvement was just over 1% (about 230 units), which is too small for illustration.

The flatness of early 1990 for total shipments ended in July of 1990. As Figure 1 shows, there has been a downward drift since then, which seems to have bottomed in January of this year at 17,520 units. From July to January, the slide was over 15,100 units, or 52%. Not many industries have suffered such a decline in this recession.

February shipments for the industry were worse this year than in the worst February of the last 10 years, which occurred in 1982. If the economy in general had such problems, President Bush would be at a low in popularity, and the TV talk shows would be focused on a national crisis.

Towables have had the least problems, if a 26% decline (3,000 units) from July to December of '90 can be seen as a minimal problem. *(See Figure 2.)* February was the second month in a row of improvement since that December '90 nadir. In two months, towable shipments have recovered nearly 14% of the loss since July 1990.

Motorhomes preceded towables into the recession. These units were virtually flat for the first six months of 1990, and then the loss from June 1990 to February 1991 was 49%, or 2,500 units. *(See Figure 3.)* February 1991 was the worst single month for motorhomes in the past 10 years.

In contrast, van conversions seem to have come off the floor in February. *(See Figure 4.)* January was the low point for these formerly popular units, which led all sectors into the recession. From a peak in May 1990, the volume of shipments had fallen 65% (more than 11,000 units) by January. Shipments in February were up from the 10-year low of January. Nonetheless, this February was as bad as any month seen in the recession year of 1982.

The Detailed View

Towables as a whole, as noted above, improved in February from a month earlier. However, as Figure 5 indicates, only conventional travel trailers showed improvement. Their major gain of 550 units, or 18%, overwhelmed the smaller declines in all other types of towables.

Compared with February of 1990, however, shipments of towables were down by more than 20%. Within this sad sector, only folding camping trailers declined by less than 10% from February of a year earlier.

For the second month in a row, no shipments of low-profile Class C motorhomes were reported. Since these are ordinarily low-volume units, the effect on Class C units as a group was minimal. Mini-

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RV SHIPMENTS—MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Feb. '91	Change from Jan. '91 Number	Change from Jan. '91 %	Change from Feb. '90 Number	Change from Feb. '90 %
TOTAL RVs	17,740	230	1.3	−12,710	−41.7
Travel Trailers:					
Conventional	3,550	550	18.2	−890	−20.1
Park Models	390	−80	−17.4	−200	−34.0
Fifth-wheels	1,900	−20	−1.2	−770	−28.9
All Travel Trailers	5,830	440	8.2	−1,870	−24.2
Folding Camping Trailers	2,400	−260	−9.6	−200	−7.9
Truck Campers	640	−70	−10.0	−210	−25.1
TOTAL TOWABLES	8,870	110	1.3	−2,280	−20.5
Motorhomes:					
Class A	1,300	−210	−13.6	−1,400	−51.7
Class B	330	−50	−14.0	−110	−25.0
Class C:					
Minis	780	30	4.2	−490	−38.5
Low-Profiles	0	0	0.0	−80	−100.0
Micro-minis	180	−30	−12.9	−90	−34.6
Class C Total	960	10	0.5	−660	−40.9
TOTAL MOTORHOMES	2,590	−250	−8.9	−2,170	−45.6
TOTAL TOWABLES & MOTORHOMES	11,460	−140	−1.2	−4,450	−28.0
Multiuse Van Conversions	6,290	370	6.2	−8,250	−56.8

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS—ANNUAL COMPARISONS

(Adjusted for seasonal variation)

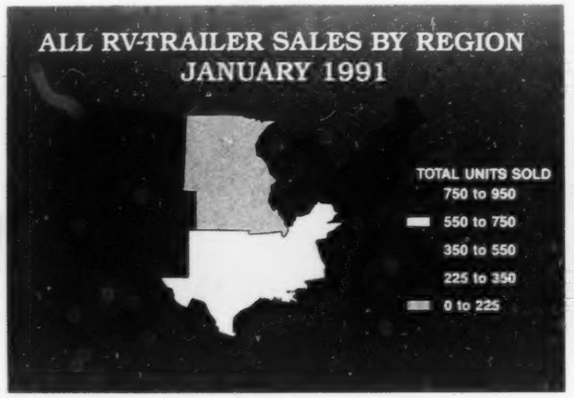
Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	35,260	63,460	−28,200	−44.4	100.00	100.00
Travel Trailers:						
Conventional	6,550	9,400	−2,850	−30.3	18.57	14.81
Park Models	860	1,150	−290	−25.2	2.44	1.81
Fifth-wheels	3,820	5,370	−1,550	−28.9	10.83	8.46
All Travel Trailers	11,230	15,920	−4,690	−29.5	31.84	25.09
Folding Camping Trailers	5,050	6,220	−1,170	−18.9	14.32	9.80
Truck Campers	1,340	1,700	−360	−21.0	3.81	2.68
TOTAL TOWABLES	17,620	23,840	−6,220	−26.1	49.96	37.57
Motorhomes:						
Class A	2,810	5,500	−2,690	−48.9	7.97	8.67
Class B	710	940	−230	−24.1	2.02	1.48
Class C:						
Minis	1,530	2,520	−990	−39.2	4.34	3.97
Low-Profiles	0	210	−210	−100.0	0.00	0.33
Micro-minis	380	580	−200	−34.6	1.08	0.91
Class C Total	1,910	3,310	−1,400	−42.3	5.42	5.22
TOTAL MOTORHOMES	5,440	9,750	−4,310	−44.2	15.42	15.36
TOTAL TOWABLES & MOTORHOMES	23,050	33,590	−10,540	−31.4	65.38	52.93
Multiuse Van Conversions	12,210	29,870	−17,660	−59.1	34.62	47.07

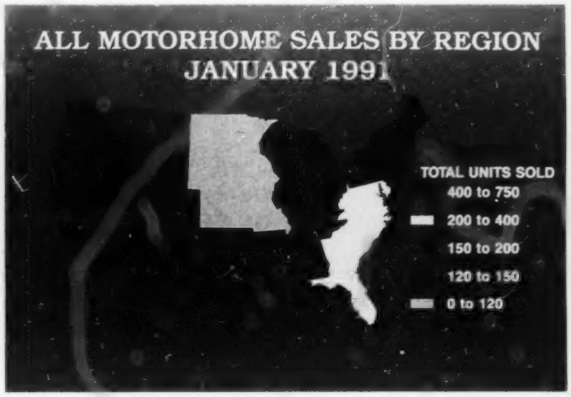
Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

JANUARY NEARS BOTTOM OF SALES DOWNTURN

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

As 1991 opened, January's RV retail-sales figures showed that the RV-trailer market was down 20.9%, while the motorhome market had declined 39.8% compared with January 1990 sales levels.

The 20.9% decline for RV-trailer sales in January equaled a 1,013-unit deficit compared with the same month of '90. Figure 1 shows the seven regions of the country ranked according to the percent of change in trailer sales for the month.

Among RV trailers, the East North Central region led the regional rankings, with Illinois reporting the largest percentage gain for January in that region. At the bottom of the rankings was the Northeast region, and Rhode Island turned in the worst monthly performance among those states.

The motorhome market experienced an even worse January in terms of retail sales. Motorhome registrations fell by 39.8%, the equivalent of a 1,178-unit shortfall compared with the tally for January of last year.

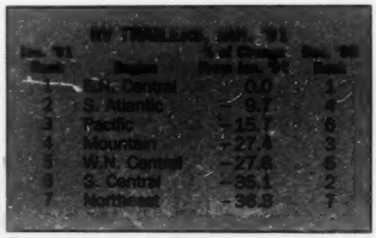
Figure 2 ranks the seven national regions by the percent of change in motorhome sales from January of last year. The Pacific region topped the list in terms of motorhome sales gains, and Oregon experienced the best performance in that market. The Northeast region trailed the pack, with Maine having the largest decline compared with January 1990.

> *We expect to see a strong finish to 1991.*

The dismal figures of January 1991 were a continuation of the market's downward trend in December 1990. There is reason to believe, however, that the industry's downturn may be close to bottoming out.

In future months, we expect to find that, while the market started 1990 on a very aggressive track and then slipped, 1991 will see a slow start followed by a strong finish. Certainly, all signs are that the severe sales declines the market experienced last fall have disappeared. We are looking forward to an improving market during the rest of 1991. Δ

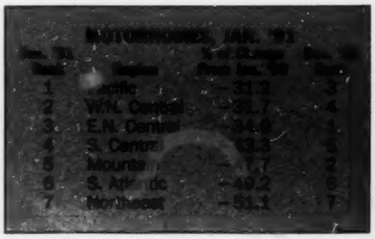
Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.



RV TRAILERS, JAN. '91

Jan. '91 Rank	Region	% of Change from Jan. '90	Dec. '90 Rank
1	E.N. Central	0.0	1
2	S. Atlantic	− 9.7	4
3	Pacific	− 15.7	6
4	Mountain	− 27.4	3
5	W.N. Central	− 27.8	5
6	S. Central	− 35.1	2
7	Northeast	− 36.8	7

Figure 1



MOTORHOMES, JAN. '91

Jan. '91 Rank	Region	% of Change from Jan. '90	Dec. '90 Rank
1	Pacific	− 31.2	3
2	W.N. Central	− 31.7	4
3	E.N. Central	− 34.6	1
4	S. Central	− 43.3	5
5	Mountain	− 47.7	2
6	S. Atlantic	− 49.2	6
7	Northeast	− 51.1	7

Figure 2

GRAPHICS: DIGITAL LIFE

PROFITMAKERS

SURGE *from page 44*

after sitting more than a month, leading to "varnishing," a gummy residue that clogs the carburetor. Varnishing may not be noticeable in a vehicle engine, but the loss of efficiency in a smaller genset engine is serious. The symptoms are rough running and surging, which can even damage appliances.

Naturally, dealers want to move their motorized units faster than 30 days, but just in case you have a few that sit longer, adding some ONAFRESH, a preservative from Onan Corp., will delete this source of consumer dissatisfaction. And while you're at it, customers will appreciate learning about the need to use ONAFRESH, which is, of course, conveniently available in your store.

To learn more, contact Onan Corp., 1400 73rd Ave. N.E., Minneapolis MN 55432; (612) 574-5000. Δ *—John Thompson*

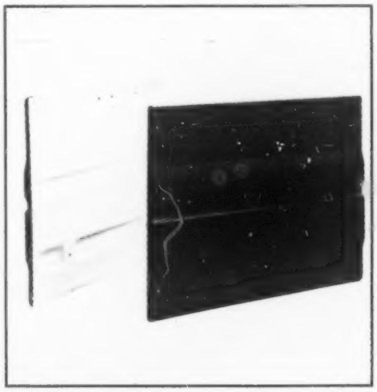
LIQUID
ICE SCRAPER
National
NO MORE SCRAPING BY HAND...
JUST ADD TO YOUR TANK OF WINDSHIELD WASHER FLUID AND LET YOUR WIPERS DO THE ICE SCRAPING!
1.95 FL. OZ.
57.5 mL

Liquid Ice Scraper Does All the Work

Now motorists can remain in the warmth and safety of their vehicles while Liquid Ice Scraper does all the work of clearing and cleaning the windshield of ice, frost as well as snow. Liquid Ice Scraper, an advanced chemical additive made by National Interchem Corp., eliminates the cold, tough, work of hand-scraping windshields. Fast and convenient to use, the pouch of Liquid Ice Scraper is poured into a full reservoir of windshield-washer fluid, and it automatically blends and works with any windshield solvent. No mixing or measuring is required. As the windshield wipers are activated, Liquid Ice Scraper works to melt ice, snow and frost, leaving a clear, clean windshield without film or residue. National Interchem Corp., 2819 W. Lake St., Chicago, Ill. 60612; (312) 638-5100.

Microphor Offers 12-Volt DC Toilet

The Microflush Model LF-220 operates on 12 volts of DC power, making it ideal for RVs, boats and portable sanitation applications. Microflush toilets are full-size and are available in round or elongated bowl styles. Made of vitreous china, they are available in three standard colors as well as custom colors to fit any decor. Microphor Inc., 452 E. Hill Road, P.O. Box 1460, Willits, Calif. 95490; (707) 459-5563 or (800) 358-8280.



All-Pro Introduces Injection-Molded Doors

Motorhome baggage doors are now being injection-molded by All-Pro Enterprises Inc. This high-tech injection process produces a fully cosmetic, one-piece, two-sided door made with a core of high-density urethane with a hybrid polyester-polyurethane skin. This allows the door to be painted or produced with an automotive finish. The All-Pro process can fluctuate in thickness to meet customer design needs and can incorporate backings for hinges, locks and other accessories. All-Pro Enterprises Inc., 22970 Pine Creek Road, Elkhart, Ind. 46516; (219) 522-8006.

continued on page 49

RVIA SHIPMENTS *from page 17*

motorhomes had a positive month in February, up by a minimal amount from January. Micro-minis were down, but the net result for Class C units overall was positive.

Remember that the data shown in Figures 5 and 6 are rounded to the nearest 10 units. Hence, we can have one group down by 26 units and another up by 34 units, with each showing a change of 30, as in Figure 5. The net change for a sum of 6 appears in the figure as 10. This is the wonder of small changes and data rounding. RVIA data are rounded to the nearest 100 units and conceal even more information.

During February, Class A and Class B motorhomes both declined compared with the preceding month and the same month a year earlier. In both instances, however, the declines were smaller than in January. Thus, the pace of decline for motorhomes had slowed dramatically. This, too, indicates a bottoming of the recession.

The slight rise in van conversion shipments for February was the first good news in this sector in more than half a year. The slide of van conversions had brought these units from 47% of the total RV market to less than 35%. *(See Figure 6.)* The decline of nearly 18,000 units for the year-to-date shipments of van conversions meant that almost 63% of the industry's 28,200-unit deficit as of February was in this one sector.

All types of RVs were running behind last year's pace as of February. In percentage terms, the best of the lot were folding camping trailers, which were down by almost 19%.

With the massive decline in van conversions, there has been a 12.45 market-share point drop by these units. Virtually all but a tiny amount of this shift has been gained by towables. Motorhomes have not been able to capitalize on the problems of van conversions because both types of units are subject to similar market forces.

What's Next?

Now we await next month's data. Will March shipments show that the rebound began in February, or was that just a bump along the bottom? As some wit has noted, when a body falls to the ground from a high building, it bounces up—a little bit.

We believe that the recession phase of the business cycle *is* over. The recovery may not be in full swing, but the latest data suggest no material deterioration and even give hope that better days are ahead. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

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RVIA, RVDA Hope to Field-Test National Technician Certification Program by Fall

The first national-scale certification program for RV dealership service technicians could be field-tested by this fall if RVIA and RVDA, the two trade associations spearheading development of the credentialing program, are able to resolve some key issues.

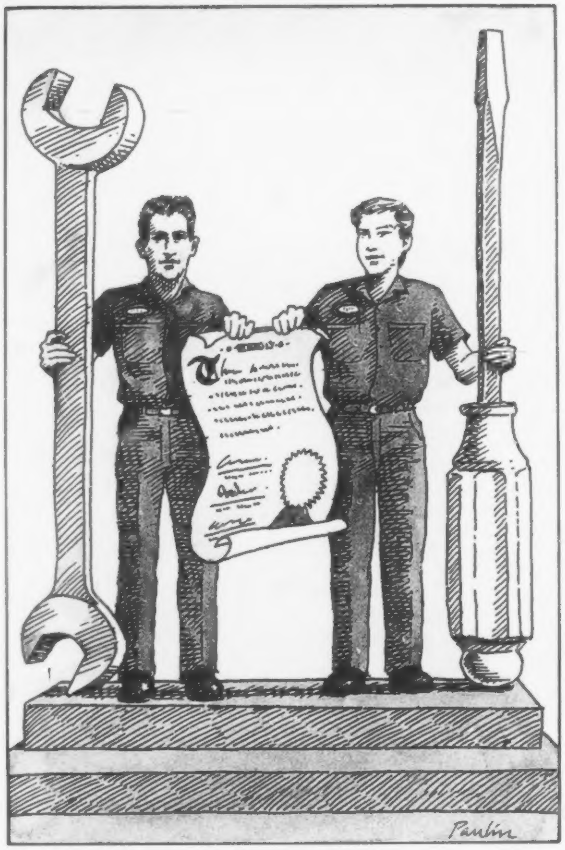
"Based on the plan approved last year, I know we're on track," reported Mike Molino, RVDA assistant executive vice president. "I think any differences that we have can be solved."

"Improved service to the customer is much too important to allow anything to derail technical credentialing," agreed RVIA Vice President of Administration Robert M. "Mac" Bryan.

Certification has become a goal for both organizations in their quest to improve consumer care. They contend that, by testing and certifying service department workers – and then visibly recognizing them for obtaining formal training – RV dealerships can benefit from an additional element of professionalism, just as the National Institute for Automotive Service Excellence has enhanced credibility for auto service departments.

"The progress of technician credentialing is one of the most important aspects of consumer care that the industry can embark on, at least at this time," Bryan said. "It's a program that's endorsed by all elements of the industry, and, in fact, all groups have been contributing to the development of it."

For more than a year now, RVIA, representing suppliers and manufacturers, and RVDA, representing 1,100 U.S. dealerships, have worked together to align their respective certification plans.



RVIA's new National Recreation Vehicle Technical Institute (NRVTI) vocational training program is designed to dovetail with accreditation exams "to ensure that the (certification) candidates are tested to the same standards that we (RVIA) are teaching." In fact,

continued on page 11

Industry Sees Sales Uptick

As the spring of 1991 unfolded, the RV industry was maintaining a cautious "wait-and-see" attitude regarding prospects for the rest of the year. But, although it was still unclear how much the RV sector had rebounded from the setbacks of the Gulf War and the recession, there were plenty of positive signs for the RV industry following its slow start in January and February.

As Play-Mor Trailers Inc. Vice President John Willibrand summed up: "Spring right now looks fair to good. Tax time is over with, and the good weather is just starting to hit. The real test is still ahead of us."

Reacting to a strong uptick in March, most RV makers had put their plants back to work –

continued on page 10

7 **Open House Draws Fewer Dealers**

8 **Management-Led Group Buys Coleman Firms**

8 **Northwest Trailer Parts Hosts Dealer Show**

8 **Imperial Stamping Buys Diversified Fasteners**

9 **Ford, Chevrolet Report Shifts in Top Converters**

9 **Atwood Names New President**

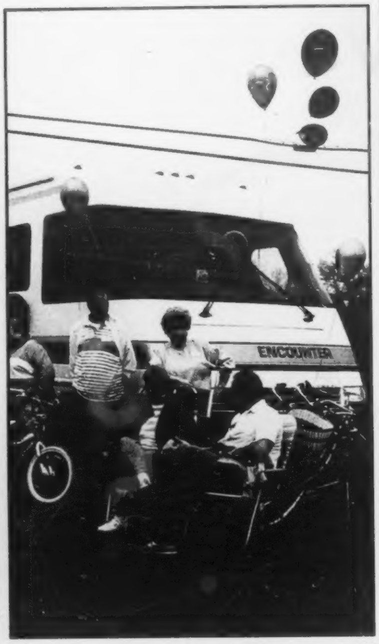
9 **Custom Coach Introduces Land Cruiser**

10 **Stock Analysts Confident of RV Market Prospects**

11 **Mallard Presents New Europa Class A Model**

RV BUSINESS

VOLUME 42, NUMBER 5 JUNE 3, 1991 TWO DOLLARS



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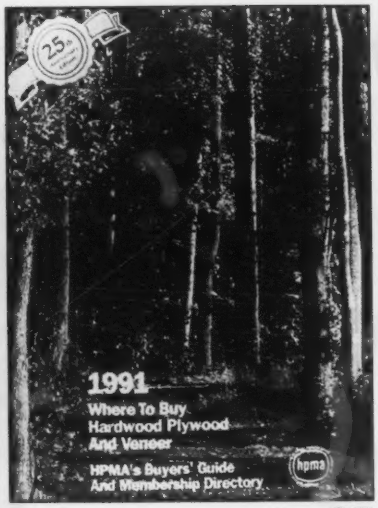

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Special OEM Section 25

This new, special section focuses on news about products, companies, people and trends in the portion of the industry specifically devoted to supplying RV OEMs. Look for the OEM Section in the first issue of each month from now on.

Buyer Profile Payoffs 30

Dealers and management consultants stress that developing a detailed profile of local buyers is vital to sales in today's competitive market. And computerization is the key tool in efficiently gathering, tracking and analyzing the necessary customer information.

Covering All the Bases 37

In profiling their buyers, many dealers learn that their customers want services that go beyond the traditional sales lot, parts store and service center. Dealers report on some of these customer-pleasing extras, which can not only build traffic and sales but, if properly managed, create new profit centers.

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DEALERS STRUGGLED IN '91 FIRST QUARTER

GAYLORD MAXWELL

Our Dealer Advisory Board's (DAB) figures for the first quarter of 1991 reflect a struggle at most dealerships, as might be expected. Sales volume for the 22 members of our board was down 22% compared with the first quarter of 1990. Nineteen dealerships were down in dollars taken in – some reporting figures that were less than half of those posted for the same period last year. The dealers sold 18% fewer units overall than they did last year; new units were down 22%, and used units were off 10%.

All five RV types were down in new-unit sales, and only one (folding camping trailers) showed an increase in used-unit sales.

Bottom lines were rated as poor by half of the board members, and most of the rest rated their bottom lines as only fair. Both new and used inventories are reported to be on the high side; lot traffic was rated average to low.

In spite of the grimness of the picture painted by these cold, hard figures, there was another, more positive aspect worthy of note. Considering the two enormous upheavals of the early part of 1991 – the Gulf War and the recession – perhaps we should consider the RV industry fortunate to do as well as it has.

Sales may be down, but there are still buyers out there (approximately three today for every four buyers last year at this time). Profits are way down, but most dealers are hanging on. They've cut expenses, and most are making reasonably good grosses on what they sell. Most dealers also report a relatively thriving service-and-accessory business.

A final point: The fact that our Dealer Advisory Board survived the winter intact is vivid testimony that good, established dealerships are making it in spite of the difficult times. With the war over, troops coming home, gas prices dropping, interest rates declining and the recession's end predicted for sometime this year, there's cause for a reasonable amount of optimism.

Motorhomes

As might be expected in times of increased fuel prices, motorized RVs lost a great deal of their appeal to budget-minded potential buyers in the first three months of 1991. Fourteen of our DAB members were down in new-unit sales, while three were up (each by one or two units). Used sales were approximately the same. Gross profits tended to be on the fair to good side, although two dealers reported gross profits as excellent.

Probably the greatest successes in motorhome sales this year will be scored by dealers who offer innovations in product styles, chassis features (particularly diesels) and marketing methods – along with working hard.

Travel Trailers

Travel trailer dealers apparently didn't feel the pinch quite as hard as motorized dealers during the first quarter. Sales were down, but the decline was only half of that for motorhomes. In fact, our DAB members were about evenly divided between those who were down and those who were up in new-unit sales for the period. Used sales were about the same. Profits tended to be on the good side.

Not shown directly by our DAB sales figures is the fact that a minor revolution is occurring in the trailer business. A revived interest in the production of relatively simple but good quality units at low prices is resulting in increased sales for some dealers. Perhaps that approach to marketing will result in increased interest on the part of first-time buyers this summer.

Truck Campers

Slide-ins fared about the same as motorized in new-unit sales. All three of our major camper dealers were down from last year during the first quarter. Used sales rated only a little better. Grosses, however, were generally good.

There's no reason for believing that anything short of a return to "good times" will affect the sales of this type this summer.

Folding Camping Trailers

The theory that, in "hard times," the least-expensive products are more in demand than those that cost a great deal is disproved by the kind of evidence we have here. New fold-downs were down more than any other RV type in the first quarter.

Individually, our DAB members had mixed results, with five up and eight down in new-unit sales. Somewhat surprisingly, used sales were up. Grosses tended to be on the low side.

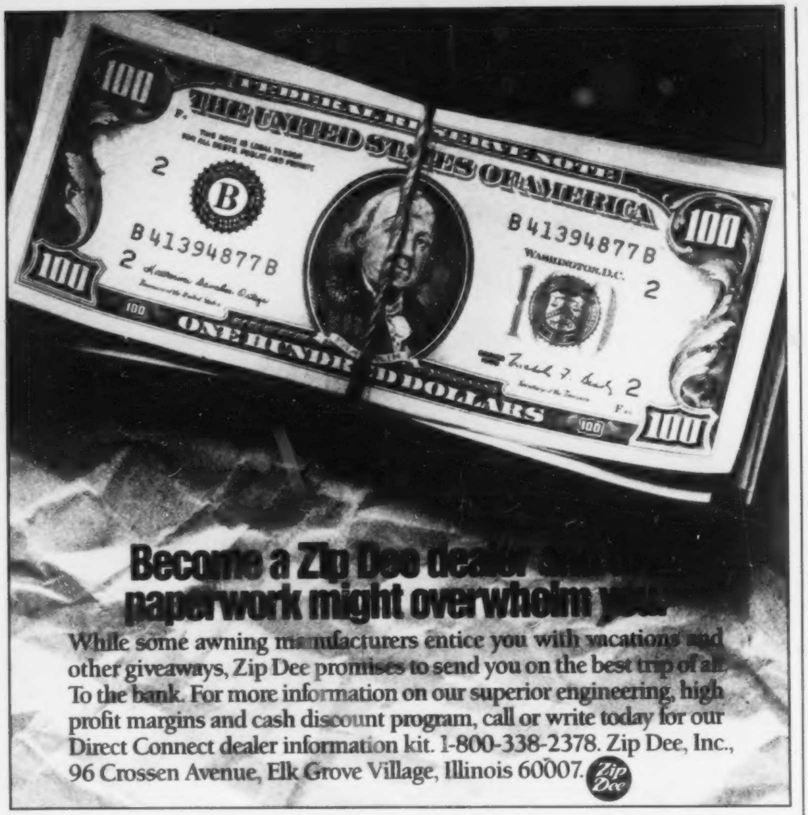
There's no reason to believe that there will be any great change in the market for this RV type until the blue-collar worker's situation is more secure.

continued on page 22

	NEW UNITS			USED UNITS		
	FIRST QUARTER			FIRST QUARTER		
	1991	1990	% CHANGE	1991	1990	% CHANGE
MOTORHOMES	268	387	−31	394	406	−28
TRAVEL TRAILERS	271	319	−15	253	305	−17
TRUCK CAMPERS	40	57	−30	40	48	−20
CAMPING TRAILERS	200	297	−33	51	44	+16
FIFTH-WHEELS	118	133	−11	68	91	−25

	FIRST QUARTER		
	1991	1990	% CHANGE
SALES VOLUME	$32,242,000	$41,366,000	−22
TOTAL UNIT SALES	1,703	2,087	−18
NEW-UNIT SALES	897	1,193	−25
USED-UNIT SALES	806	894	−10

Beginning with this issue, "DAB Perspective" by Gaylord Maxwell will cover data on a quarterly basis.



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DAB PERSPECTIVE *from page 20*

Fifth-wheels

Fivers have managed to weather all kinds of adverse conditions in the past, but it appears that even this type is not invulnerable to certain world conditions.

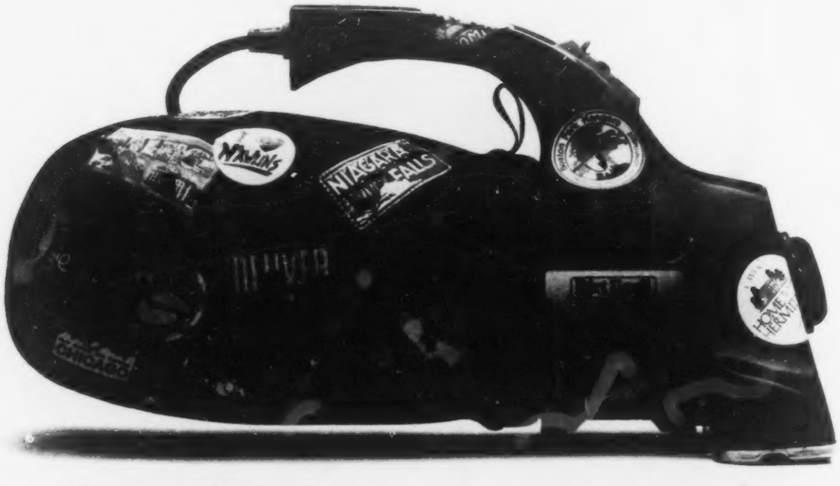
Actually, more of the DAB dealers who stock this type did better than they did last year for the quarter, but a few of the larger dealers were off the mark. Used-unit sales were off even further than new. Grosses tended to be good.

The number of retirees is increasing, as are retirement incomes. In view of the sales history of fifth-wheels in the past few years, it seems reasonable to assume that sales will pick up before the year is over. Δ

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman**, Baldwin Park, Calif.; **Bob Azevedo**, Sunnyvale, Calif.; **Jack Cole**, Pacoima, Calif.; **David McMann**, Victor, N.Y.; **Crosby Forrest**, Newport News, Va.; **Dan Gamel**, Fresno, Calif.; **Jerry Greer**, Columbus, Ohio; **Jerry Harrison**, Waco, Texas; **Robert Jensen**, Layton, Utah; **Johnny Ketelsen**, Marion, Iowa; **Newton Kindlund**, Orlando, Fla.; **Roger Kirschner**, Salem, Ore.; **Ozzie Lenhard**, Sayville, N.Y.; **Larry McClain**, Oklahoma City, Okla.; **Annette Miller**, Fayetteville, N.C.; **Steve Moran**, Warwick, R.I.; **Tom Schaeffer**, Shoemakersville, Pa.; **Mel Shipp**, Chattanooga, Tenn.; **Jack Sisemore**, Amarillo, Texas; **Bill Thomas**, Bridgeton, Mo.; **Randy Thompson**, Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.



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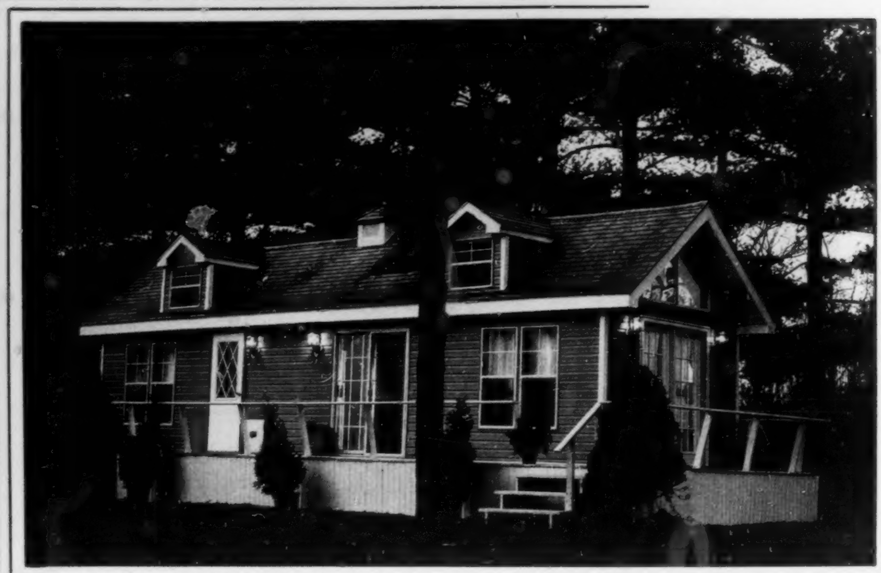

PARK MODELS FIND NEW POPULARITY: The trend to destination camping is spurring park-model sales, with many manufacturers citing 25%-50% sales growth this spring. See story on page 30.

Thor to Acquire Dutchmen Manufacturing

The stockholders of Dutchmen Manufacturing Inc. surprised the RV industry in late May by announcing that the Goshen, Ind.-based manufacturer of economy-class travel trailers and fifth-wheels would be sold to Thor Industries Inc., Jackson Center, Ohio, a publicly held RV maker best known for its legendary Airstream line.

The announcement came only days after Dutchmen had officially become the nation's No. 2 U.S. retailer of travel trailers and fifth-wheels in the first quarter of 1991, according to data from Statistical Surveys Inc., Grand Rapids, Mich. The cash transaction was to have been finalized May 31, at which time the sale price was to be disclosed.

"The planned acquisition of Dutchmen should make Thor the second-largest RV manufacturer in North America," Thor Chairman Wade F.B. Thompson said in announcing the pending sale. "Dutchmen, which is highly profitable, had sales of $57 million last year and is running at the rate of about $70 million in sales this year. This exceptional performance has been achieved during a severe industry downturn."

Thompson pointed out that Dutchmen has had a "major impact on the towable RV market in just three years." He also said that Dutchmen's existing, successful management team – including the owner/managers C. David Hoefer, Glen M. Sylvester and Larry Schrock – would continue operating the company, which he expects to "add significantly to the overall performance of Thor."

Hoefer, president of Dutchmen, which had 300 employees building 48 units a day in five northern Indiana plants in May, told RVB that Dutchmen's management team would be operating the company under "very long-term" management contracts in much the same way that Dutchmen has been operated since its 1988 inception in a converted barn located in Middlebury, Ind.

continued on page 13

OEM-Supplier Programs Seek To Boost Product Quality

Whether it is called a "Preferred Supplier Program," a "Vendor Review" or a "Quality Review," each plan's goal is the same: to enhance the OEM-supplier relationship and reap major sales dividends through a new partnership for quality.

While such programs have long been a mainstay of the automotive industry, the RV manufacturing community has only recently accepted the concept of a closer bond with their myriad suppliers of parts, compo-

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7 Cruise America Plans to Build Its Own RVs

8 Dodge, GMC List Top 10 Van Converters

8 Winnebago Taps Dohrmann as President

9 Four Winds Adds Slide-in Camper Line

9 Bonair Gets Creditor Accord, Shuts GranVille

10 Texas Sees Start of Recovery

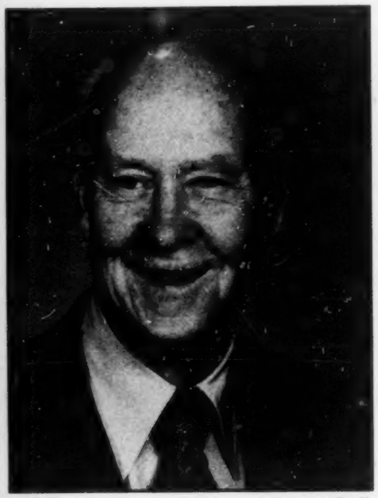
11 Canadian TV Show Seeks U.S. Audience

11 New Company Seeks Dealers For Bus Coach

13 Champion Has First Profitable Year Since '85

RV BUSINESS

VOLUME 42, NUMBER 6 JUNE 17, 1991 TWO DOLLARS



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Trailer Trends 22

Towables gained market share at the expense of motorized units in 1990, and travel trailer and fifth-wheel makers are eager to press their advantage with consumers during 1991's recovery. Watch for an ever-wider array of slide-out options, intense competition among low-end units and increased "packaging" of unit features.

Park Models: A Rising Star 30

The increase in destination camping has been a boon to park trailer sales, a relatively bright spot in the down market of 1990. With sales up by 25% or more this spring, leading manufacturers are seeking to capitalize on their recent success both with new products and a new educational/promotional campaign.

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COVER PHOTO: FAIRMONT HOMES INC.

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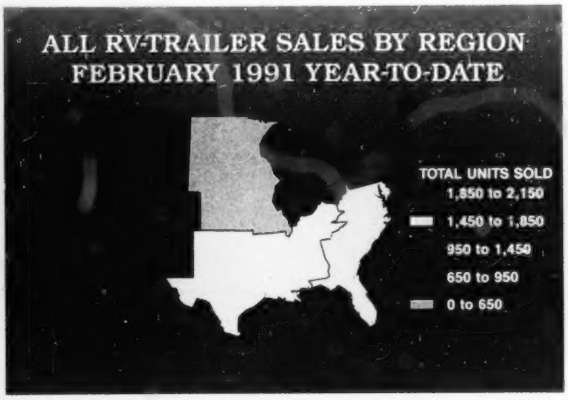
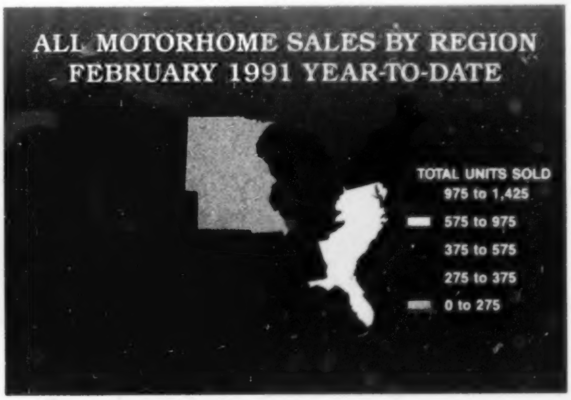
FEBRUARY'S DISAPPOINTMENTS MAY HERALD TURNING POINT

TOM WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Retail sales figures for the first two months of 1991 showed the motorhome market down by 42.9% and RV-trailer sales sliding by 24.5% when compared with the same two months of 1990.

February's motorhome market experienced a drop of 45.7%, or 1,610 units, from February 1990. The seven regions of the country are ranked in Figure 1 based on the percent of change in motorhome sales between this February and the same month of last year. Leading the lineup was the West North Central region, with Missouri having the best performance. Maine, in the bottom-ranked Northeast region, experienced the largest decline.

Year-to-date, sales figures for the motorhome segment of the industry were down by 42.9%, or 2,778 units, compared with the first two months of last year. Figure 2 lists the seven regions of the country according to their percent change in sales compared with the same period of 1990. The West North Central region led the rankings, with the largest gain taking place in Missouri. In the last-place Northeast region, Maine suffered the largest decline.

The RV-trailer market in February 1991 slowed by 27.4%, a 1,937-unit decline from February of last year. In Figure 3, the country's seven regions are ranked according to their percent of change in February trailer sales from the same month in 1990. Leading the rankings was the West North Central region, with the strongest showing recorded by North Dakota. The Northeast region again trailed the others, and New Hampshire turned in the weakest sales performance there.

Year-to-date sales of RV trailers were

MOTORHOMES, FEB. '91

Feb. '91 Rank	Region	% of Change From Feb. '90	Jan. '91 Rank
1	W.N. Central	−18.7	2
2	Pacific	−40.4	1
3	S. Central	−43.9	4
4	Mountain	−47.5	5
5	E.N. Central	−47.7	3
6	S. Atlantic	−52.7	6
7	Northeast	−61.2	7

Figure 1

MOTORHOMES, YEAR-TO-DATE

Feb. '91 Rank	Region	% of Change Year-to-Date	Jan. '91 Rank
1	W.N. Central	−24.4	2
2	Pacific	−36.0	1
3	E.N. Central	−42.7	3
4	S. Central	−43.5	4
5	Mountain	−47.6	5
6	S. Atlantic	−51.0	6
7	Northeast	−56.4	7

Figure 2

RV TRAILERS, FEB. '91

Feb. '91 Rank	Region	% of Change From Feb. '90	Jan. '91 Rank
1	W.N. Central	−11.9	5
2	S. Central	−12.9	6
3	S. Atlantic	−19.9	2
4	Mountain	−25.0	4
5	Pacific	−30.5	3
6	E.N. Central	−36.5	1
7	Northeast	−47.5	7

Figure 3

RV TRAILERS, YEAR-TO-DATE

Feb. '91 Rank	Region	% of Change Year-to-Date	Jan. '91 Rank
1	S. Atlantic	−15.1	2
2	W.N. Central	−18.8	5
3	S. Central	−22.8	6
4	Pacific	−24.5	3
5	E.N. Central	−24.7	1
6	Mountain	−25.7	4
7	Northeast	−43.7	7

Figure 4

GRAPHICS: DIGITAL LIFE

down 24.5%, which translated into a 2,923-unit shortfall compared with the first two months of last year. Based on the percent change in trailer sales from the first two months of 1990, the seven national regions are ranked in Figure 4. Maryland chalked up the largest gain, leading the South Atlantic region at the top of the ranking. Trailing other sections of the country was the Northeast region, with the largest decline recorded by New Hampshire.

> *There is good reason to hope that, with the Persian Gulf War behind us, February will mark the end of the lingering market slump.*

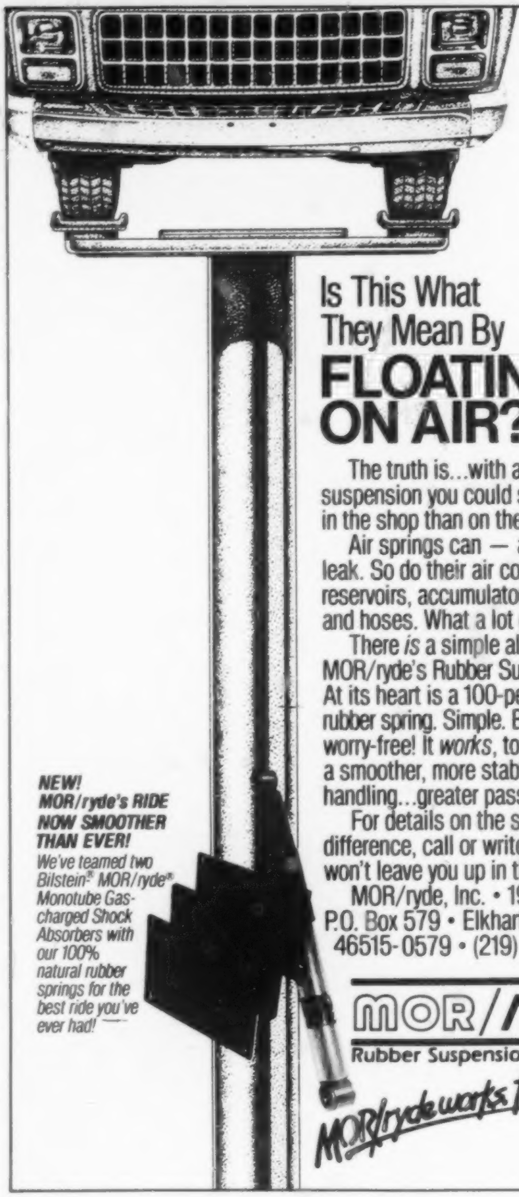
Reaction to the Persian Gulf War was seen throughout reports from the retail market for February 1991. The uncertainty caused by the war kept RV buyers away, and the negative market trend that plagued 1990 figures continued through the first two months of 1991.

However, it is important to remember that the severity of the decline of early 1991 is exagerrated by the fact that the first quarter of 1990 was that year's high point. The outstanding performance of early 1990 makes the slow start of 1991 appear even worse than it actually is.

But we expect future months to record some real improvements over last year. Then a comparison of 1991's third- and fourth-quarter numbers with the dismal state of the industry in the last two quarters of 1990, when retail sales fell severely, will make even an average 1991 performance look as positive as the early months' numbers appeared to be bad.

There is good reason to hope that, with the Persian Gulf War behind us, February will mark the end of the lingering market slump. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.



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HAS THE SHIPMENTS UPTURN BEGUN?

MORTON J. MARCUS

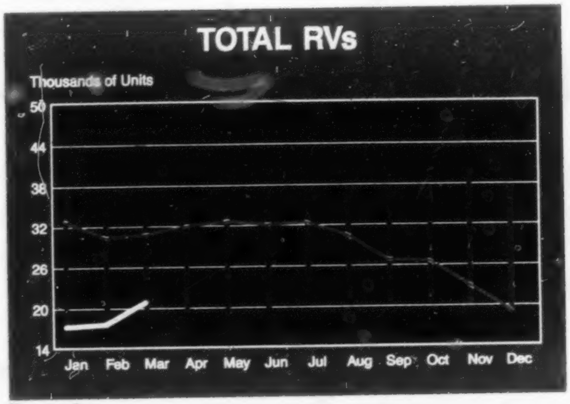

Figure 1

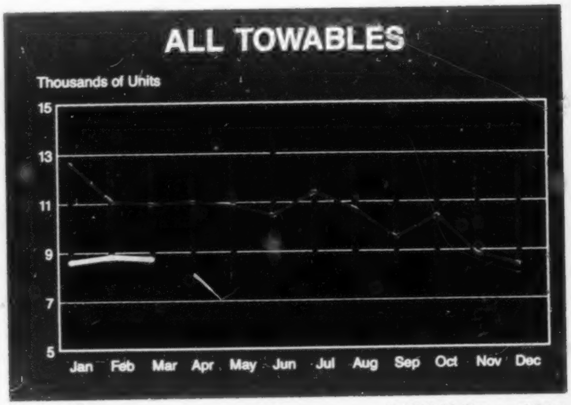

Figure 2

☐ 1981-90 Shipments' Range
☐ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

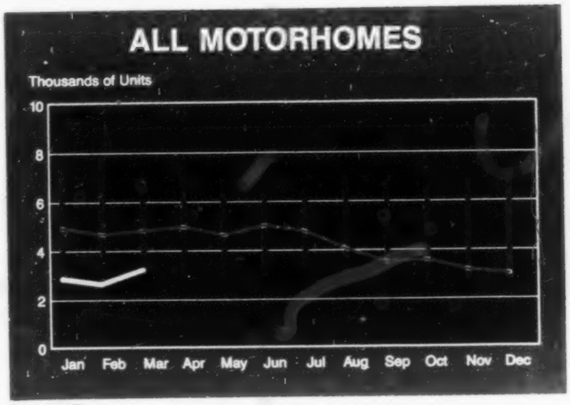

Figure 3

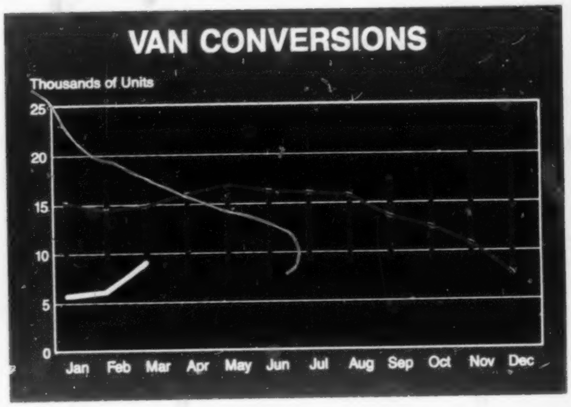

Figure 4

March is a month of omen. Julius Caesar was warned about the Ides of March. This past March, businesspeople waited for a sign, too – an indicator that the recession was over and the turnaround had begun.

Perhaps the shipment data from RVIA for March, when adjusted for normal seasonal patterns, offered that first sign for the RV industry. Total shipments jumped ahead to nearly 21,200 units. *(See Figure 1.)* That was almost 21% above the low reached in January. This total also was the highest level in four months, reinforcing the slight upward movement of the prior month.

The improvement of total shipments was not seen in the towables segment of the industry. This sector has been stuck between 8,500 and 8,900 units since last November. While not dipping down as far as in the recession of the early '80s, towables have shown no appreciable improvement from their low in this cycle. In March 1991, they stood less than 4% over their December 1990 low. *(See Figure 2.)*

Motorhomes in March had their best month since last October. *(See Figure 3.)* At more than 3,200 units for the month, they were up for the first time in five months.

But the big movement came from van conversions. *(See Figure 4.)* Although still tallying less than 10,000 units for the month, their shipments, at 9,200 units, had risen by 55% over their January low. March was the second month in a row for an advance in van conversion shipments after eight uninterruptedly downward months, from May of '90 to the first month of '91.

The Detailed View

The industry moved ahead by more than 3,400 units in March compared with February levels. *(See Figure 5.)* Gainers far exceeded losers when compared with February. But all types of RVs remained below their levels of March 1990.

Of the advance in industry shipments as a whole, 83% can be attributed to van conversions. This volatile sector charged ahead by 46%, a gain equal of nearly 2,900 units over the preceding month. Nonetheless, van conversions were still nearly 5,900

GRAPHICS: DIGITAL LIFE

units (39%) below the same month in '90. The advance was encouraging, but the distance to be traveled was still great.

Motorhomes offered a mixed picture in March. Shipments of Class B's and micro-mini Class C's decreased for the month. At the same time, Class A units made a strong charge forward, rising by more than 600 units, or more than 47%.

Towable results were also mixed, with the group showing a decline for the month from February. But this was a decline of just 100 units (about 1%). The gains by park models and fifth-wheel trailers more than offset the losses of conventional travel trailers. But the entire towables group was pulled down strongly by folding camping trailers, which dropped by more than 200 units (more than 9%).

After one calendar quarter, the year-to-date deficit for the industry stood at nearly 38,000 units, or 40% of last year's shipments through March. *(See Figure 6.)* Every type of RV unit is down at least 17% for the year. No low-profile Class C motorhomes have been reported as shipped in the first three months of 1991 because of rounding to nearest 100 units.

Nearly 62% of the shipments decline has been in the van conversion sector. The year-to-date shipments deficits were over 40% for motorhomes and 24% for towables. As a result, van conversions have lost almost 10 market-share points, which have shifted to towables. Meanwhile motorhomes held a fairly constant market share.

Drawing Even

Where do we stand? For van conversions to end 1991 even with 1990, the industry would have to ship an average of 16,700 units per month for the next nine months. That would be almost double the number of units shipped in March. It would mean that the monthly average for the balance of the year would have to be better than any single month (except June) in 1990. This is a tall order.

Motorhomes do not have the same challenge. An average of 4,800 units per month for the balance of '91 will bring motorhomes even with '90. This level was achieved in five of the first seven months of 1990 and seems feasible for the industry.

Towables need to average 11,200 units per month for the rest of 1991 if they are to equal the shipments of last year. This is a jump of 28% over March's total. In other words, it is a level that is within reach but still somewhat distant.

The total industry then must ship nearly 294,000 units in the remainder of 1991 to reach the level of 1990. This means a monthly average of approximately 32,700 shipments in order to end the year even with 1990. Since this level of shipments was reached only once in 1990, it will mean a considerable, sustained improvement.

However, such gains are possible – if March was the beginning of a strong upward thrust that does not falter or become flat in the second quarter. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS – MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Mar. '91	Change from Feb. '91 Number	%	Change from Mar. '90 Number	%
TOTAL RVs	21,160	3,420	19.3	-9,760	-31.5
Travel Trailers:					
Conventional	3,440	-110	-3.0	-1,000	-22.5
Park Models	520	130	34.4	-110	-17.0
Fifth-wheels	1,940	40	2.0	-670	-25.8
All Travel Trailers	5,900	70	1.1	-1,780	-23.2
Folding Camping Trailers	2,170	-220	-9.3	-370	-14.5
Truck Campers	690	50	8.6	-80	-10.3
TOTAL TOWABLES	8,760	-100	-1.2	-2,230	-20.3
Motorhomes:					
Class A	1,920	620	47.3	-920	-32.4
Class B	260	-70	-22.1	-260	-50.6
Class C:					
Minis	920	140	17.3	-330	-26.7
Low-Profiles	0	0	0.0	0	0.0
Micro-minis	150	-30	-14.9	-150	-49.9
Class C Total	1,070	110	11.4	-480	-31.2
TOTAL MOTORHOMES	3,240	650	25.2	-1,670	-33.9
TOTAL TOWABLES & MOTORHOMES	12,010	550	4.8	-3,890	-24.5
Multiuse Van Conversions	9,160	2,870	45.7	-5,860	-39.0

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS – ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	1990	Difference Number	%	% Market Share 1991	1990
TOTAL RVs	56,430	94,380	-37,950	-40.2	100.00	100.00
Travel Trailers:						
Conventional	9,990	13,840	-3,850	-27.8	17.70	14.66
Park Models	1,380	1,780	-400	-22.3	2.45	1.89
Fifth-wheels	5,750	7,980	-2,230	-27.9	10.20	8.46
All Travel Trailers	17,130	23,600	-6,470	-27.4	30.35	25.01
Folding Camping Trailers	7,220	8,760	-1,540	-17.6	12.79	9.28
Truck Campers	2,030	2,470	-440	-17.8	3.60	2.62
TOTAL TOWABLES	26,380	34,830	-8,450	-24.3	46.75	36.90
Motorhomes:						
Class A	4,730	8,340	-3,610	-43.3	8.39	8.84
Class B	970	1,460	-490	-33.5	1.72	1.55
Class C:						
Minis	2,450	3,770	-1,320	-35.1	4.34	3.99
Low-Profiles	0	210	-210	-100.0	0.00	0.22
Micro-minis	530	880	-350	-39.8	0.94	0.93
Class C Total	2,980	4,860	-1,880	-38.7	5.28	5.15
TOTAL MOTORHOMES	8,680	14,660	-5,980	-40.8	15.38	15.53
TOTAL TOWABLES & MOTORHOMES	35,060	49,490	-14,430	-29.2	62.13	52.44
Multiuse Van Conversions	21,370	44,890	-23,520	-52.4	37.87	47.56

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

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7 **Oshkosh Adds Midsize Diesel Pusher Chassis**

8 **RVIA Lobbies For Federal Highway Funding**

8 **Camping World Adds 3 Outlets**

9 **Dealers Report Strong Used Class A Sales**

9 **Leisure Systems To Double Park Network**

9 **Ford Leads Class A Chassis Sales Recovery**

10 **2 Major N.J. Shows Cancelled; '92 Changes Cited**

10 **Fastener Law Will Affect Prices, Quality**

11 **Thor Sells Okanagan to Trav-L-Mate**

11 **New Econoline Impacts RV Design for '92**

11 **Mallard Closes Georgia Plant**

DESTINATION CAMPING: Activity-filled, resort-style destination camping is spreading beyond its traditional Sun Belt and retiree markets. Northern campgrounds and younger families are now being drawn to this RV lifestyle. See story below.

Destination Camping on the Upswing

The concept of activity-filled, resort-style destination RV parks is taking an ever firmer hold in the RV marketplace, bringing with it both benefits and challenges for RV park owners and dealers.

Of course, like the membership campground concept, the idea of destination RV resorts has existed for years, fed by the growing ranks of snowbirds who flock to the country's Sun Belt areas during the winter. But now destination resorts are expanding outside the Sun Belt and reaching toward younger markets, with many geared to provide a wide range of family-oriented activities as well as the more traditional programs aimed at retirees.

Bob Bouse, president and general manager of Clearbrook Resort, Clermont, Fla., explained that his park provides a prime example of the new type of destination camping that is appealing to a wide variety of RV-park visitors.

"What we have here," Bouse said, "is a park that has two distinct seasons and serves two different markets. First, we are very much into the park-model scene, and we are seeing a lot of retirees who have been full-time RVers for years and have now

continued on page 12

Diesel Pusher Is Hot '92 Trend

Diesel is the hottest thing going in the Class A motorhome business this summer, particularly a new breed of shorter, more-affordable, rear-engine diesel "pushers" on new chassis introduced recently by Spartan Motors Corp., Charlotte, Mich., and Oshkosh Truck Corp., Oshkosh, Wis.

These new downscaled pushers stress moderate size and low pricing and are unlike anything the North American motorhome buyer has seen before. And a number of mainstream motorhome builders, including Gulf Stream Coach Inc., Nappanee, Ind., and Champion Motor Coach Inc., Elkhart, Ind., have been busily developing new models with which to "blitz" the marketplace in the 1992-model year.

The small-pusher trend took off last fall when Spartan introduced its new fuel-efficient EC-2000 chassis powered by a Cummins 6BT 5.9-liter, 160-

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RV BUSINESS

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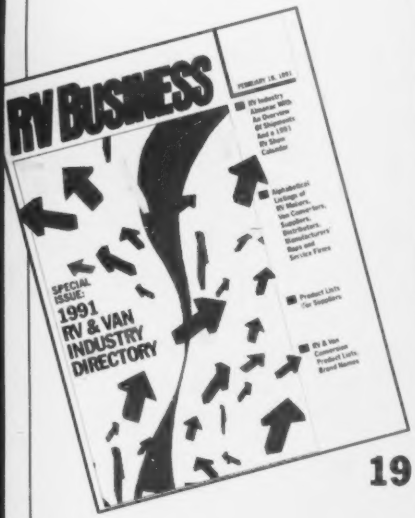

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This midyear update of the 1991 RV & Van Industry Directory *includes new listings and corrections for RV manufacturers, van converters, suppliers, distributors, manufacturers' agents, associations and related RV services.*

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RVB's new special section, running in the first issue of each month, specifically focuses on news, people and products from companies supplying OEM manufacturers.

Van Conversions Revive 30

1991 is likely to be a pivotal year for many van upfitters, offering both the triumphs of rebounding from record shipment lows and the trials of complying with strict new seating regulations.

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INSET PHOTO: CLEARBROOK RESORT

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RECOVERY FORECAST—AGAIN

MORTON J. MARCUS

The difficult part of economic forecasting is coming back for more punishment. The forecaster knows that the reader already knows the previous prediction was seriously off-base. Yet, once again, the forecaster is trotted out like an old racehorse to pass in front of the stands while the crowd chuckles or kindly remembers better days.

But if the last forecast was fine but premature, we can use that one again. So, we assert once more, this recession is over. The recovery is at hand. You heard that before, but we'll try it again.

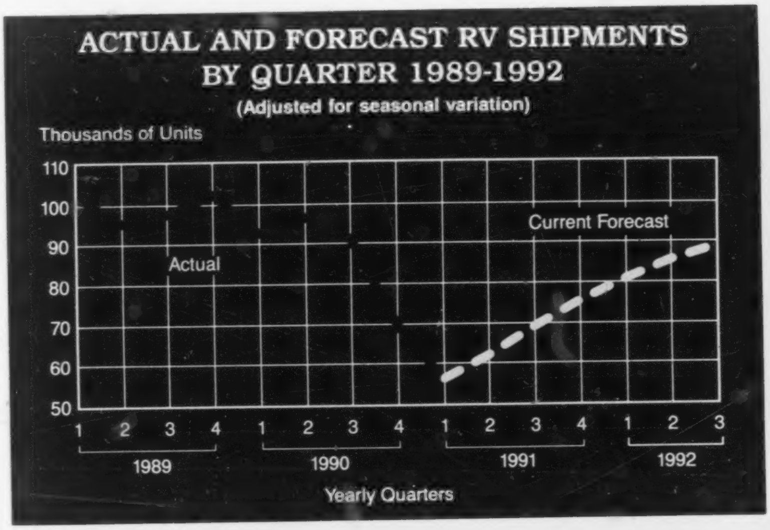

Figure 1

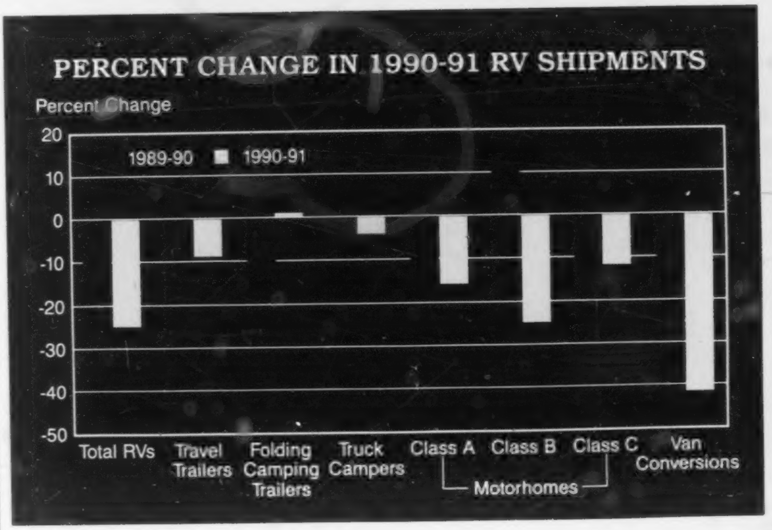

Figure 2

Understanding the Recession

What went wrong in the first quarter? Clearly, the RV industry did not rebound from 69,600 units to the 79,300 that we forecast. Instead, shipments fell to 56,400 units for the quarter. *(See Figure 1.)* The pattern of the industry followed that of the nation.

This recession is like no other that we have had in the past 50 years. This is the first recession that has taken place with a war in progress. But what a different war! For the first time in memory, government spending actually fell during the war. We fought this war out of inventory, and foreign governments paid us to do the fighting. It was such a short war that there was no massive surge in wartime production. Instead, there was a massive decline in consumer spending as Joe and Jane Consumer sat home watching their nation's armaments humble a far inferior military power.

Since Joe and Jane were not out shopping, sales fell for RVs, automobiles, refrigerators and all other types of consumer durables. The spending decline was at an annual rate of nearly 11% in real terms (after adjustment for inflation). Businesses, seeing consumer spending off and with no incentive to expand output, pulled back on investment. That decline in the first quarter was at an annual real rate in excess of 14%.

Finally, with the massive overhang of housing in East Coast, Southwestern and West Coast areas, where S&Ls have been taken over, the nation's home builders did not respond to lower interest rates. This interest-rate decline, which has been going on for two years or more, was at an annual real rate of 26% in the first quarter of 1991. Normally, when interest rates fall, home building picks up and begins an economic recovery. But the depressed housing market in so many heavily populated areas has held back that usual response. Many banks are under pressure to reduce or limit their real-estate lending. These forces, bearing some uneasy similarities to the late 1920s, have given us a very different recession.

This is not a deep recession. It does not compare in severity to the big decline of 1979-1982. But it does have unusual features that have thrown our forecast and those of many others into disarray.

QUARTERLY FORECAST

Is the Upturn at Hand?

There are signs that the worst is over. The real disposable income of consumers has stopped declining and has shown a modest increase. This is a key factor for the RV industry. Short-term interest rates continue to hold steady or decline. Many persons in the Midwest and elsewhere are relatively unaffected by the recession and are, to some extent, cash rich. Many consumers have paid down their debt and are in a position to consider big-ticket purchases.

With such factors at work, we now see the belated recovery starting in the second quarter of 1991 and continuing through 1992. *(See Figure 1.)* The improvement is, however, at a decreasing rate. It is not a robust gain, as recoveries go. But the first quarter of 1992 should be 44% above the depressed levels of that quarter in 1991.

The annual data indicate that the improved circumstances as the year progresses will not wipe out the losses imposed by the recession. *(See Figure 2.)* In total, our econometric model indicates that RV shipments for 1991 will fall nearly 25% below those of 1990. But that hit has already been taken. The data in Figure 2 hide the upward motion which will characterize most of 1991 as seen clearly in Figure 1. In Figure 1, the second quarter of 1992 stands 38% ahead of the second quarter of 1991. The trend is upward for the RV industry.

By midyear 1992, travel trailers should be shipped at a 100,000-unit annual rate once again. That will be a 37% gain over mid-1991 rates. All towables should rise by a similar percentage in the next 12 months.

In the second quarter of 1992, there should be 15,600 motorhomes shipped, up by 5,500 units (54%) from the second quarter of 1991.

Van conversions, the hardest-hit segment of the RV market in this recession, should be 34% healthier a year from now.

Please note that in these last paragraphs comparisons are being made between our forecast for the second quarter of 1991 and the same quarter in 1992. These are not bloated comparisons based on the depressed levels of the first quarter in 1991.

The Improving National Economy

Figures 3, 4 and 5 all show that 1991 will be a weaker year than 1990 and 1989. But again, the worst may be behind us. Hence, these figures tend to hide the improvements of the next few months.

The grand measure of the economy, real gross national product (real GNP), shows no growth in 1991, but our detailed forecast actually sees a return to more normal rates of growth as this year progresses. Only in comparison to last year does this year look static. Last year was one of decline, and this is a year ending on a note of growth.

Weakness in the American economy has been widespread for some time. Figure 3 reveals that residential investment, which drives much of the economy, has been on a long downward trend. This is the result of tax policy and demographic factors, as well as economic issues. No major upward motion is expected until some of the overhang of housing inventory is reduced.

Weaker economies abroad slow the growth of U.S. exports, and government provides no stimulus in 1991. The lower interest rates now prevalent will help provide some stimulus, but a rising dollar on international money markets will cut back our exports while making imports cheaper for American consumers. *(See Figure 4.)* No major inflation is on the horizon. Of interest to the RV industry is the forecast of motor-fuel prices in Figure 4. Note that they do not rise as fast as prices in general (as contrasted with the past two years). This is traditionally a positive factor for RV shipments. When motor-fuel prices rise faster than overall price levels, RV shipments tend to suffer. Hence, 1991 has a very favorable component for the RV industry.

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION

	1989	1990	1991
Gross National Product	2.5	1.0	–0.1
Consumer Spending	1.9	0.9	0.1
Business Investment	3.9	1.9	–2.2
Residential Investment	–4.0	–5.4	–14.2
Exports	11.0	6.4	3.9
Imports	6.0	2.8	–1.5
Govt. Purchases			
Federal	2.1	2.6	–1.8
State & Local	2.4	3.0	0.8

Figure 3

KEY FACTORS IN THE FORECAST

	1989	1990	1991
Prime Interest Rate (%)	10.9	10.0	8.2
Value of the Dollar (1973 = 100)	98.5	89.0	91.6
Unemployment Rate (%)	5.3	5.5	6.7
% Change at Annual Rates:			
Money Supply (M2)*	3.7	5.2	3.9
Real Disposable Personal Income	2.4	0.9	–0.7
Consumer Price Index	4.8	5.4	5.0
Food & Beverages	5.7	5.7	4.2
Motor-Fuel Prices	9.4	14.3	3.2

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

ANNUAL TRENDS

	1989	1990	1991
Unit Auto Sales (millions)	9.9	9.5	8.8
Unit Housing Starts (millions)	1.4	1.2	1.0
Personal Savings Rate (%)	4.6	4.6	3.8
% Change in Compensation per Manhours	3.3	3.1	3.7
Productivity	0.2	–0.8	1.1
Unit Labor Costs	3.0	3.9	2.6

(Compensation – Productivity = Unit Labor Costs)

Figure 5

Weakness in the economy takes the pressure off unit labor costs. *(See the forecasts for auto sales and housing starts in Figure 5.)* For the first time in many years, we will see this cost-push factor below 3%. Unfortunately, the Federal Reserve Board will still maintain slow growth in the money supply, as shown in Figure 4, keeping interest rates above a point where a truly major stimulus would be given to economic growth. Fear of inflation remains strong, and the need to keep the dollar from falling too far pressures interest rates.

The Risks in the Forecast

This forecast is based on what our model of the economy tells us. Models are powerful aids, but they only tell us what historical relationships can reveal. Some of our current circumstances are not well-handled by the model. The major concerns about the banking and insurance industries are a depressing force. The overhang of residential and commercial building space in many markets also keeps the economy from growing. Hence, we could see less expansion than this forecast indicates.

But there is another factor worth considering. Models tend to smooth out reality. The course of the next few months will not be as smooth as shown in Figure 1. Just as the decline of the past was sharp, consumers could suddenly come into the market with great strength this summer, making this forecast look far too pessimistic.

Indeed, our experience is that recoveries tend to be more robust than the forecasts would suggest. Some sectors of the economy may surprise us most pleasantly, and RVs could be one of them. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV BUSINESS

JULY 22, 1991

7 Sen. Breaux Gets Coleman Outdoors Award

7 Reese Develops Hitch for Buick Roadmaster

7 1990 Slump Held Down RV Prices

8 Go Vacations Gets Creditor Agreement

8 Leisure Odyssey Shuts Down

8 'Barron's' Upbeat on '92 Industry

9 Cummins Dominates Diesels

9 Airstream Debuts '92 Models

10 Bonair Gets New Plant

11 Gulf Stream Unveils 1992 Coach Lineup

11 Coachmen Drops Good Times

RVIA, RVDA Scrap Tech Credentials

The directors of RVIA and RVDA, the nation's two key RV trade associations, dropped their support for an independent industrywide certification program for RV dealership service technicians at the associations' respective June board meetings.

The two trade groups had been working toward credentialing for a couple of years on a separate basis: RVDA had hired a testing firm, while RVIA had set up Trouble Shooter Clinics and then a national network of National Recreation Vehicle Technical Institute (NRVTI) vocational programs, which were ultimately aimed at some form of credentialing. Both groups had worked together for nearly a year, trying to meld their respective ideas for a joint certification program, with the stated intentions of improving industry professionalism and consumer care.

However, negotiations for a joint program had stalled over several key issues, including testing techniques and proprietorship of the program. So, at its June 20 board of directors' meeting in Washington, D.C., RVIA opted to step away from an independent certification effort and throw its weight instead behind "credentialing" students through its own fledgling NRVTI vocational training program.

RVIA President David J. Humphreys explained that RVIA's directors came to the conclusion that a separate certification program was duplicating what NRVTI schools were already positioned to do for themselves: Offer graduates paperwork proving their achievement in as many as 22 technical courses.

"Each of these schools will be in the best position to determine how qualified these students are or are not when they finish the course," said Humphreys. "My understanding, at this point, is that each of these schools will be doing its own testing. They will use our curriculum, and most will guarantee the quality of their students. That means that if you hire a technician and it turns out he's not adequately trained in electronics, he'll be retrained."

RVDA's board, meeting June 21-23 in Washington, then rejected the idea of setting up an elaborate national credentialing program of its own. "The (RVDA) board was quite disappointed with the response of the RVIA board, and they voted to discontinue further efforts of the certification program in view of the RVIA board's failure to support it," RVDA Executive Vice President Bob Strawn told *RV Business*. "So, we are stepping away from it, too, at this time. RVDA still believes in the values of certification to the industry. However, we believe it is one area that needs total industry support, and we don't believe that either party can be

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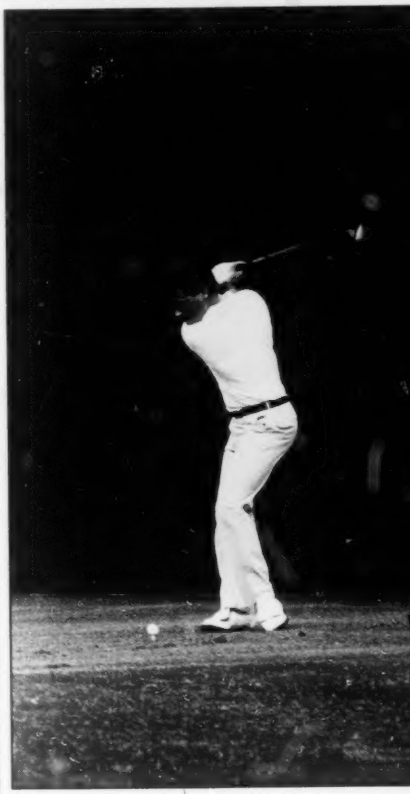

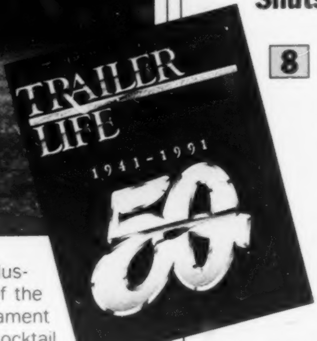

INDUSTRY SWINGS WIT[illegible]L: More than 70 industry friends joined TL Enterprises Inc.'s fete of the 50th anniversary of *Trailer Life* at a golf tournament in Elkhart, Ind., with 200 more attending the cocktail party and dinner that followed. See story on page 13.

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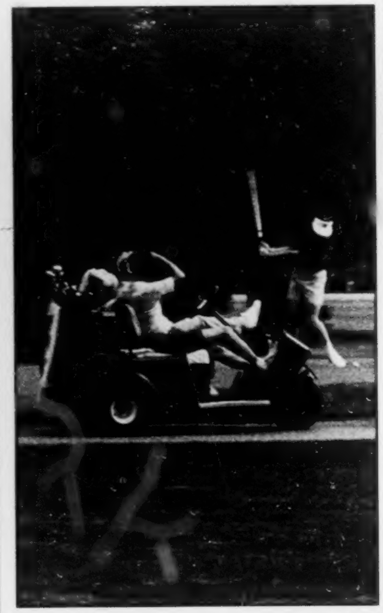

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COVER PHOTO OF PETER MC CARTY, SPARTAN MOTORS CORP., TAKEN BY ROBERT LONGSDORF JR.

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APRIL SHIPMENTS SEND POSITIVE SIGNAL

MORTON J. MARCUS

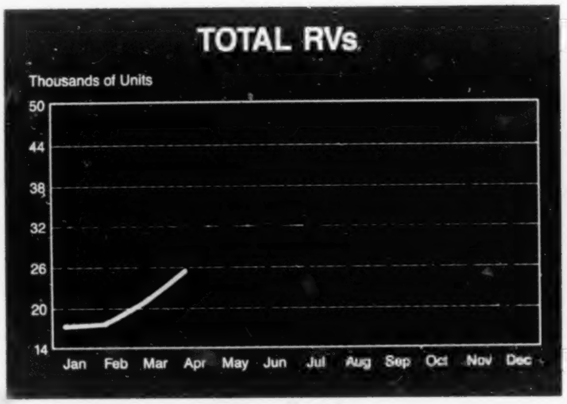

Figure 1

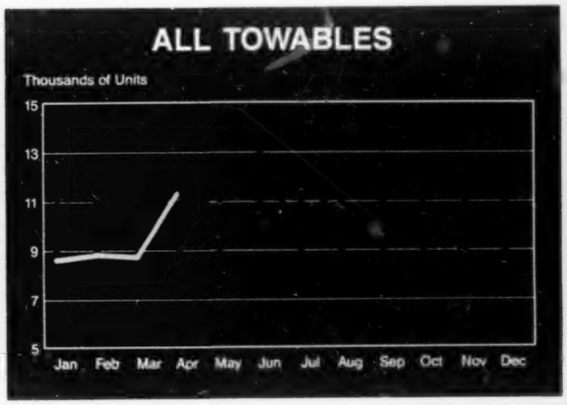

Figure 2

▇ 1981 90 Shipments Range
▇ 1990 Monthly Shipments
□ 1991 Monthly Shipments

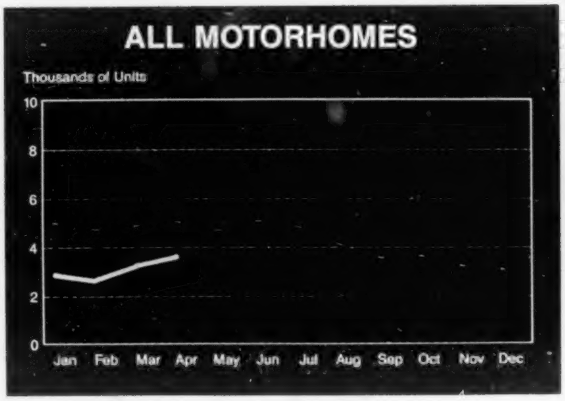

Figure 3

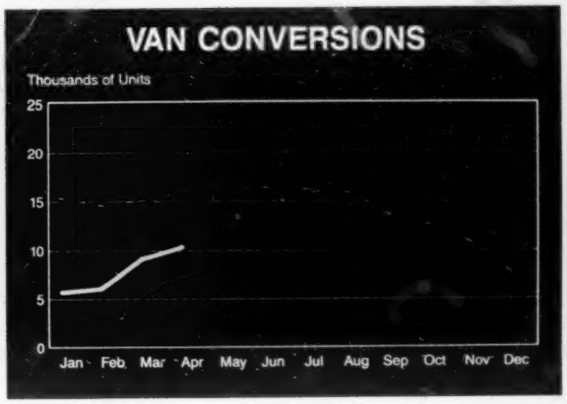

Figure 4

At last! We had been expecting the good economic news for some time, but it had not been forthcoming. In April, it came, and a sense of satisfaction and relief could be felt.

We had been waiting and waiting for months. It had been somewhat like grandparents awaiting the birth of the next in the family line. Each bit of news suggests progress, but the delivery itself has not been announced. One does not want to hover about seeming anxious and being obnoxious. Those who must deliver the product will do so in good time. But for the outsider, the wait is difficult.

Shipment data from RVIA for April, adjusted for normal seasonal variations, gave us an unambiguous upward movement. Total units shipped were 25,690, *up* more than 4,500 units (or more than 21%) from March. *(See Figure 1.)*

What makes this such good news are the patterns and tendencies this data revealed. For example, April was the fourth consecutive month of higher shipments. Of added significance is that the improvement increased each month. The growth from January to February was just 220 units. Then March added 3,420 units to February. April added 4,530 to March. This accelerating growth pattern seemed to indicate a compounding of confidence in the economic recovery.

And remember: These are all seasonally adjusted numbers, so we have taken out the normal springtime surge in shipments.

Added encouragement from these data comes from the fact that each major sector grew. Although none of the individual sec-

GRAPHICS: DIGITAL LIF

tors pressed the upper bounds of the historic ranges for April in Figures 1 through 4, neither did they dwell at or below the minimums of the past decade.

Towables had their best month in more than a year in April; you have to go back to January of 1990 to find a better month. *(See Figure 2.)*

Motorhomes had their best month since Saddam Hussein became a household name in August 1990. *(See Figure 3.)*

Van conversions also continued a steady advance. *(See Figure 4.)* April shipments were 80% ahead of the low in January.

The Detailed View

Each type of RV represented in Figure 5 showed improvement from March of this year. Some of the gains were miniscule (10 units), but there were no declines.

Towables had the best performance for the month, with nearly a 30% gain of 2,600 units. More than half of that advance was recorded by folding camping trailers. The April gain in shipments was strong in both truck campers and folding camping trailers, strong enough to put April of this year ahead of the same month a year ago. As a result of this buoyancy, all towables ran nearly 3% ahead of April 1990.

Each variety of motorhomes in Figure 5 improved over its March level of shipments, but all remained below April of 1990. Numerically, all three classes of motorhomes showed about the same growth over March, between 100 and 200 units, although a gain of 100 units for Class B's represented a 40% advance, while a 150-unit gain for Class A's resulted in only an 8% growth rate.

Van conversions were up by 1,500 units from March but nonetheless 5,350 units below April of 1990. For the year-to-date, these units were running nearly 29,000 units below the four-month total of 1990. *(See Figure 6.)* This was the greatest deficit among the three primary RV groupings. Motorhomes were still down for the year by 37%, and towables by 18%. Together, motorhomes and towables were off 24% from year-to-date levels in April 1990.

The consequence of these differential responses to the recession was that the market share of van conversions slipped from 48% to 39%, with almost all of the offsetting gain resting with towables. The market shares for motorhomes, up and down the line in Figure 6, were virtually unchanged.

Even with the good news of April, no type of RV unit included in this report had yet drawn even with 1990 for the year-to-date. Folding camping trailers and truck campers were within striking distance. All other types of units would require several more months of improved shipments to eliminate the deficits accumulated in the first four months of 1991.

What If . . .

What if the rest of the year were similar to April? What would the total RV ship-

PROJECTED SHIPMENTS

26,960	May
27,110	June
25,210	July
27,170	August
28,020	September
26,930	October
29,980	November
28,210	December

Table 1

RV SHIPMENTS—MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Apr. '91	Change from Mar. '91		Change from Apr. '90	
		Number	%	Number	%
TOTAL RVs	25,690	4,530	21.4	−6,420	−20.0
Travel Trailers:					
Conventional	3,930	490	14.2	−570	−12.7
Park Models	530	10	2.2	−90	−13.8
Fifth-wheels	2,260	320	16.7	−300	−11.8
All Travel Trailers	6,720	820	13.9	−960	−12.5
Folding Camping Trailers	3,610	1,440	66.3	1,010	39.0
Truck Campers	1,030	340	48.9	240	30.2
TOTAL TOWABLES	11,360	2,600	29.7	290	2.7
Motorhomes:					
Class A	2,070	150	7.9	−830	−28.6
Class B	360	100	40.1	−170	−32.1
Class C:					
Minis	930	10	1.1	−360	−28.2
Low-Profiles	90	90	n/a	z	−2.4
Micro-minis	220	70	44.5	z	−1.3
Class C Total	1,230	160	15.4	−370	−23.0
TOTAL MOTORHOMES	3,660	420	12.9	−1,370	−27.2
TOTAL TOWABLES & MOTORHOMES	15,030	3,020	25.2	−1,070	−6.7
Multiuse Van Conversions	10,660	1,500	16.4	−5,350	−33.4

Note: Data rounded to nearest 10 units; z = less than 10, n/a = not applicable.

Figure 5

RV SHIPMENTS—ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date		Difference		% Market Share	
	1991	1990	Number	%	1991	1990
TOTAL RVs	82,120	126,490	−44,370	−35.1	100.00	100.00
Travel Trailers:						
Conventional	13,920	18,340	−4,420	−24.1	16.95	14.50
Park Models	1,920	2,400	−480	−20.1	2.33	1.90
Fifth-wheels	8,010	10,540	−2,530	−24.0	9.76	8.33
All Travel Trailers	23,850	31,280	−7,430	−23.8	29.04	24.73
Folding Camping Trailers	10,830	11,360	−530	−4.6	13.19	8.98
Truck Campers	3,060	3,260	−200	−6.1	3.73	2.58
TOTAL TOWABLES	37,750	45,900	−8,150	−17.8	45.96	36.29
Motorhomes:						
Class A	6,800	11,240	−4,440	−39.5	8.28	8.89
Class B	1,330	1,990	−660	−33.1	1.62	1.57
Class C:						
Minis	3,370	5,060	−1,690	−33.3	4.11	4.00
Low-Profiles	90	300	−210	−70.7	0.11	0.24
Micro-minis	750	1,100	−350	−32.1	0.91	0.87
Class C Total	4,210	6,460	−2,250	−34.8	5.13	5.11
TOTAL MOTORHOMES	12,340	19,690	−7,350	−37.3	15.03	15.57
TOTAL TOWABLES & MOTORHOMES	50,090	65,590	−15,500	−23.6	60.99	51.85
Multiuse Van Conversions	32,030	60,900	−28,870	−47.4	39.01	48.15

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

RVIA SHIPMENTS *continued*

ments be in 1991? The 25,690 units shipped in April equaled about three-quarters of the long-term high for April in Figure 1. Last year, April came in at 92% of that same monthly peak. What if the remaining months of 1990 also run at 75% of their 10-year peaks?

That would mean shipments as outlined in Table 1 on page 23.

The total for 1991 would then be 301,700 units. This level of activity would fall 14% shy of the units shipped in 1990. It would be necessary for the industry to run at 91% of the top of the range shown for each month in Figure 1 to reach last year's shipment level.

Hence April, however much we welcome its good aspects, was not a sufficiently strong month to regain 1990 levels.

The truth is that 1990 is not much of a goal for total shipments by the industry in any case. Nevertheless, it will take one heck of a strong year to get back to even that shipments level for all of 1991, given where we have been. ∆

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

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1ST-QUARTER TRAILER SALES AVERAGE; MOTORHOMES STILL SUBPAR

THOMAS WALWORTH

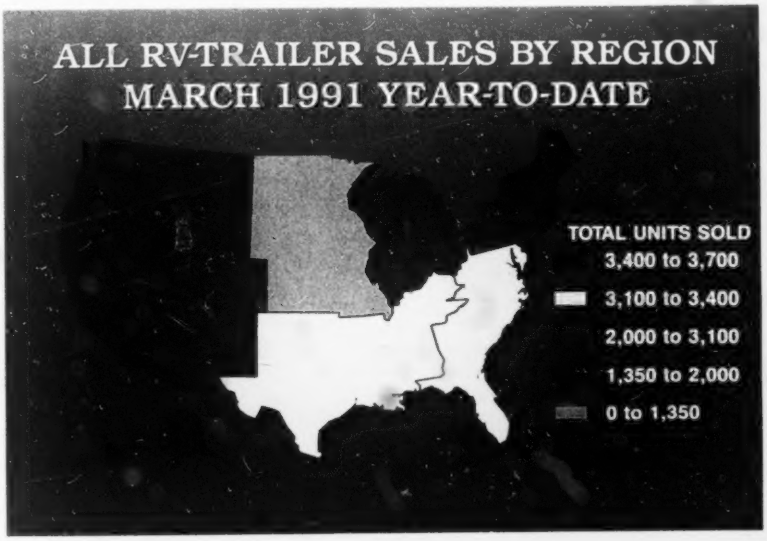
Looking over the first quarter of 1991, RV retail numbers reveal that the RV-trailer market was down 20.1% compared with the first three months of the preceding year, while the motorhome market fell 39.7% short of 1990's first quarter.

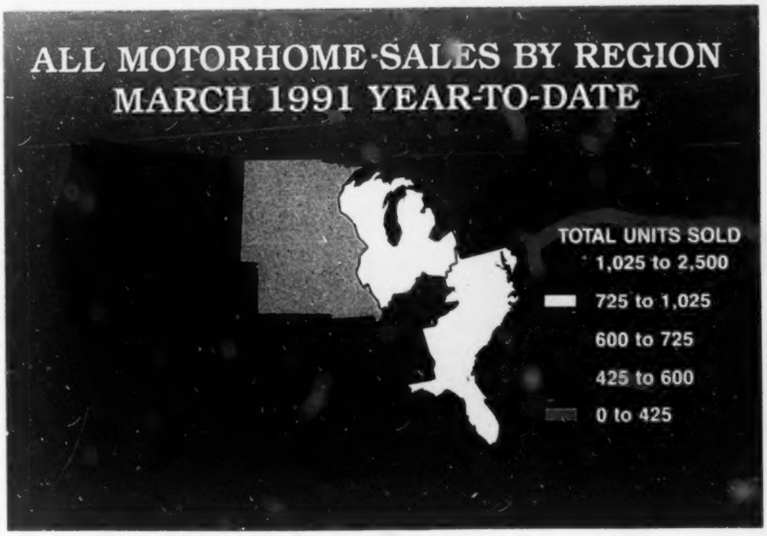
A 1,676-unit decline brought the RV-trailer market down 15.3% for the month of March 1991 when compared with the same month of 1990. Seven regions of the nation are ranked in Figure 1 on page 28 based on the percent of change in March RV-trailer sales from the same month in 1990. Illinois, in the leading East North Central region, experienced the largest gain in March, while Vermont had the largest decline in the bottom-ranked Northeast.

Nationwide, the RV-trailer market was down 20.1% for the year-to-date as of March 1991, which represented a decline of 4,528 units from the same period in 1990. Figure 2 on page 28 shows the seven regions of the country ranked according to their percent of change in sales from 1990's first quarter. Once again, the East North Central region topped the list, and Illinois reported the largest year-to-date gain among those states. New Hampshire, in the last-place Northeast region, trailed the nation with the largest decline.

In the motorhome market, a decline of 37.1%, or 1,600 units, was logged this March compared with the same month last year. Figure 3 ranks the seven regions of the country based on the percent of change in their motorhome sales from March of last year. Peak activity took place in the Mountain region, where Utah recorded the largest gain. The South Atlantic region trailed, with West Virginia down the most.

Year-to-date, motorhome sales were off 39.7%, or 4,341 units, in comparison with the same quarter of 1990. In Figure 4, the national regions are ranked by their percent of change in motorhome sales from the first quarter of 1990. South Dakota showed the largest gain for the period, leading No. 1 ranked West North Central region, while the lowest-ranked South Atlantic had West Virginia reporting the larg-


ALL RV-TRAILER SALES BY REGION
MARCH 1991 YEAR-TO-DATE


ALL MOTORHOME SALES BY REGION
MARCH 1991 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

GRAPHICS: DIGITAL LIF

est year-to-date shortfall.

What do these negative numbers tell us about the market? They indicate that the market was down – but in relation to what? How bad is bad? A comparison of first-quarter sales over the past 11 years provides an interesting perspective on the market performance of the first quarter of 1991.

The RV-trailer market's strongest first quarter in 11 years was logged in 1990. Over the 11-year period, the average number of RV trailers sold during the first quarter was 18,135 units. This year, the industry outperformed that average slightly by selling 18,191 trailers in the first quarter of 1991 – even though the market was down 20% when compared with the best quarter in 11 years. There have been only two previous first-quarter declines in RV-trailer sales in the past 11 years.

RV TRAILERS, MAR. '91

Mar. '91 Rank	Region	% of Change From Mar. '90	Feb. '91 Rank
1	E.N. Central	– 1.9	6
2	W.N. Central	– 8.0	1
3	Pacific	– 14.1	5
4	S. Central	– 16.7	2
5	S. Atlantic	– 20.4	3
6	Mountain	– 21.7	4
7	Northeast	– 24.9	7

RV TRAILERS, YEAR-TO-DATE

Mar. '91 Rank	Region	% of Change Year-to-Date	Feb. '91 Rank
1	E.N. Central	– 12.6	5
2	W.N. Central	– 12.7	2
3	S. Atlantic	– 17.6	1
4	S. Central	– 19.9	3
5	Pacific	– 20.2	4
6	Mountain	– 24.2	6
7	Northeast	– 33.8	7

MOTORHOMES, MAR. '91

Mar. '91 Rank	Region	% of Change From Mar. '90	Feb. '91 Rank
1	Mountain	– 23.0	4
2	W.N. Central	– 27.6	1
3	Pacific	– 31.3	2
4	E.N. Central	– 35.7	5
5	S. Central	– 40.2	3
6	Northeast	– 44.6	7
7	S. Atlantic	– 50.9	6

MOTORHOMES, YEAR-TO-DATE

Mar. '91 Rank	Region	% of Change Year-to-Date	Feb. '91 Rank
1	W.N. Central	– 25.2	1
2	Pacific	– 33.1	2
3	Mountain	– 37.5	5
4	E.N. Central	– 39.1	3
5	S. Central	– 41.7	4
6	Northeast	– 49.7	7
7	S. Atlantic	– 50.0	6

Figures 1-4

The motorhome industry, which is much more sensitive to external influences, has shown larger variations over the past 11 years. The average number of units sold during the first quarter was 9,995 units. Motorhome sales during the first quarter of 1991 totaled 6,600 units, which missed the 11-year average by 34% and fell short of 1990's first quarter by 39.6%. Hence, the first three months of 1991 were one of six negative first quarters experienced by motorhomes during the past 11 years.

When reviewing any report, one should look at the long-range averages in order to judge the market more accurately. Taking that long-term look, the current market is off from 1990's record first-quarter pace, but it also is far above the worst market performance of the past 11 years. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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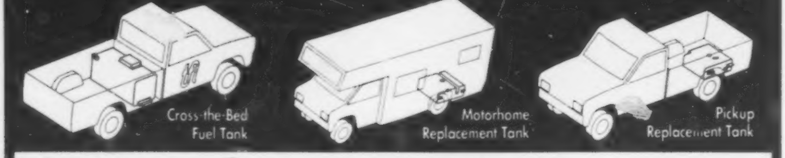

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7 GM Offers Options to Meet FMVSS 208

7 Mahlon Miller Becomes Sole Newmar Owner

8 GM Has New '92 Packages For Converters

8 TL Names New CEO

9 Canada Ups Enforcement of Import Standards

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10 Ford, Chrysler Push Minivan Conversions in '92

12 Dodge Drops Plans for Factory Hitch

12 Ford Lowers Tow Ratings On Econolines

BRAVE
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PREVOST

Debuts included the competitively priced Winnebago Brave (top left) and Fleetwood Coronado (bottom left), as well as units like the Liberty Coach on the new Prevost H3-40 chassis.

FMCA Rally Showcases Array of New Units

The first major public showing of 1992-model motorhomes, Family Motor Coach Association (FMCA) 28th Annual Summer Grand International Convention in South Bend, Ind., was notable for the number and range of its new-product debuts.

An array of ultraexpensive bus conversions on the new Prevost H3-40 VIP shell took center stage, however. The composite-skinned H3-40, which is manufactured by Prevost Car Inc., Ste Claire, Quebec, Canada, was introduced to converters more than a year ago, but a number of companies are only now employing it in new $600,000 to $700,000 conversion coaches.

It's no surprise that the H3-40s drew the most attention from the public and the 10,000 FMCA club members encamped in 4,609 coaches around the University of Notre Dame campus, July 16-18. The floor of the 12½-foot-high Prevost shell is 63 inches off the ground, housing 83 inches of headroom and a cavernous 420 cubic feet of underfloor storage. Those dimensions gave converters, such as Liberty Coach Inc., North Chicago, Ill., and Royale Coach by Monaco Inc., Elkhart, Ind., a lot of room for creativity.

"The H3-40 is the latest and greatest in the high-line RV industry," reported Star Wood, conversion coordinator for Country Coach Inc., Junction City, Ore., which has added an H3-40 to the top end of its bus conversion offerings. "Because it is a composite shell—fiberglass rather than metal with stainless steel—the window configuration is a lot different. The floor is a lot taller than that of the Prevost Le Mirage XL, so the driver and passenger sit down in a cockpit."

Wood added that buyers are indeed lining up for coaches with $700,000 price tags. "I'll have to tell you," she said, "these have sold as quickly as they've come off the line."

Manufacturers, of course, also debuted a host of more moderately priced coaches. For example, Fleetwood Enterprises Inc., Riverside, Calif., brought its nonbasement Coronado, a competitively priced, 29- and 33-foot fiberglass coach retailing for less than the Pace

continued on page 11

RV BUSINESS

VOLUME 42, NUMBER 10 AUGUST 19, 1991 TWO DOLLARS

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Your First Look at Tomorrow!
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COVER PHOTOS: ROBERT LONGSDORF JR.

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FEATURES

The Service Education Network 24

The goal of improving dealership service-technician training has united the industry, with the National RV Technical Institute as the centerpiece of current efforts. Although problems of timing, location and availability for existing technicians still need to be ironed out, the growing network of school sites is getting generally good reviews from manufacturers and dealers.

South Bend Show Section 32

This special section provides a quick tour of the 37th Annual Midwest Manufactured Housing & Recreational Vehicle Show in South Bend, Ind., Aug. 20-25, including a calendar of events, entertainment highlights, exhibitor lists and show floorplans.

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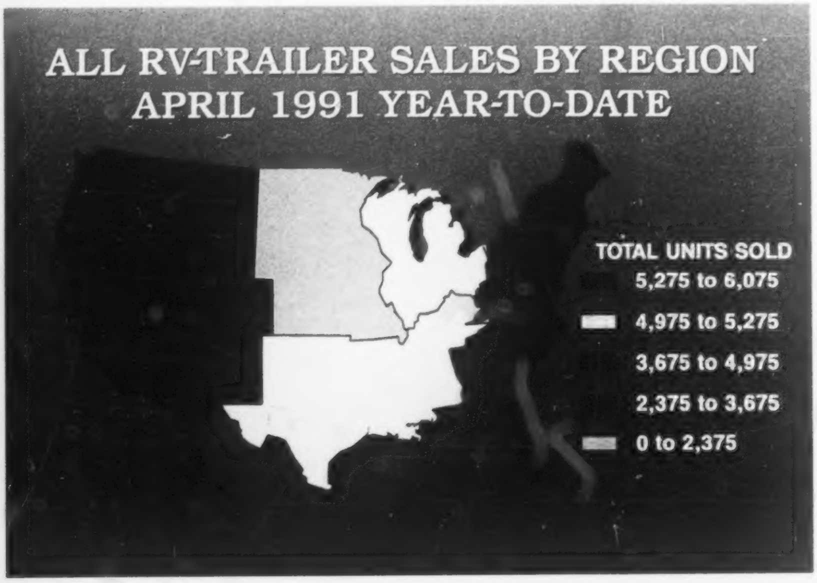
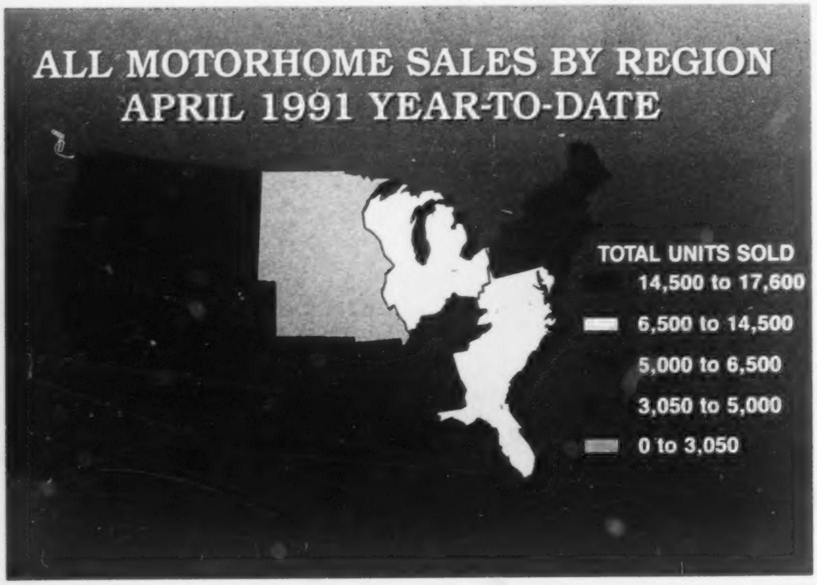
APRIL SALES INDICATE RECOVERY

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

RV retail sales reports for April 1991 showed the industry still well below last year's sales level for the first five months of the year. Year-to-date, the RV-trailer market was down 16.8% from the same period of 1990, while motorhome retail sales were down by an even larger 37.3%. However, the gap did seem to be closing: The RV-trailer market's year-to-date lag as of April was an improvement of 3.3 percentage points on March's year-to-date deficit, and the motorhome market's year-to-date shortfall was 2.4 percentage points better than March's year-to-date percent of change.

The RV-trailer market declined 1,364 units, or 10.96%, in April 1991 compared with April of last year, but this was an improvement over the previous 15.3% March-over-March decline. Figure 1 lists the seven regions of the country ranked by the percent of change in April 1991 trailer sales compared with April 1990. The East North Central region led the rankings, with Wisconsin reporting the largest gain. The Pacific region came in last place, and California had the largest decline among those states for the month.

Year-to-date, the RV-trailer market's 16.8% drop translated into a 5,925-unit shortfall compared with the first five months of 1990. Figure 2 shows the seven national regions listed according to their percent of change in trailer sales from the same period of 1990. The West North Central region topped the rankings, and Missouri had the largest year-to-date gain in that region. In the bottom-ranked Northeast, New Hampshire experienced the largest decline.

Motorhome retail volume for April was off by 33.1%, or 1,651 units, from April 1990, although this was not as bad as the 37.1% decline between March 1990 and March 1991. In Figure 3, the seven regions of the country are ranked based on the percent of change in April sales compared with the same month of last year. The East North Central region led all others, with Indiana showing the largest gain for the month. In the trailing South Atlantic states, West Virginia reported the largest decline.

For the year-to-date, the motorhome market's 37.3% deficit put sales 5,942 units

GRAPHICS: DIGITAL LIFE

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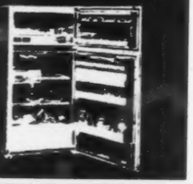

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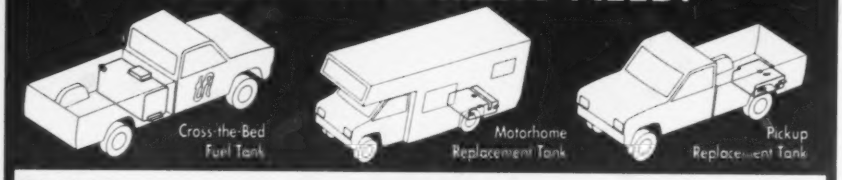

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behind their level for the first five months of 1990. The seven regions of the country are ranked in Figure 4, based on their year-to-date percent of change. The West North Central region won the No. 1 slot, with Missouri having the largest year-to-date gain.

RV TRAILERS, APR. '91

Apr. '91 Rank	Region	% of Change From Apr. '90	Mar. '91 Rank
1	E.N. Central	– 1.9	1
2	W.N. Central	– 2.2	2
3	Mountain	– 2.9	6
4	S. Central	–12.0	4
5	S. Atlantic	–12.2	5
6	Northeast	–16.6	7
7	Pacific	–20.8	3

Figure 1

RV TRAILERS, YEAR-TO-DATE

Apr. '91 Rank	Region	% of Change Year-to-Date	Mar. '91 Rank
1	W.N. Central	– 8.0	2
2	E.N. Central	– 8.3	1
3	S. Atlantic	–15.9	3
4	Mountain	–16.2	6
5	S. Central	–17.5	4
6	Pacific	–20.4	5
7	Northeast	–26.7	7

Figure 2

MOTORHOMES, APR. '91

Apr. '91 Rank	Region	% of Change From Apr. '90	Mar. '91 Rank
1	E.N. Central	–26.2	4
2	Pacific	–27.4	3
3	W.N. Central	–31.4	2
4	Mountain	–33.4	1
5	S. Central	–37.2	5
6	Northeast	–42.3	6
7	S. Atlantic	–43.2	7

Figure 3

MOTORHOMES, YEAR-TO-DATE

Apr. '91 Rank	Region	% of Change Year-to-Date	Mar. '91 Rank
1	W.N. Central	–27.1	1
2	Pacific	–31.3	2
3	E.N. Central	–34.7	4
4	Mountain	–35.0	3
5	S. Central	–39.7	5
6	Northeast	–46.8	6
7	S. Atlantic	–47.9	7

Figure 4

The South Atlantic region continued to lag, and West Virginia had the largest decline in that region.

Sales declines were still being recorded compared with last year's year-to-date levels, but the deficits were being reduced, indicating that the RV industry was starting to recover. The percents of change in RV-trailer and motorhome sales for the month and year-to-date were improved and should continue to improve during the remainder of 1991. ∆

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

MAY SHIPMENTS REDUCE YEAR-TO-DATE DEFICIT

MORTON J. MARCUS

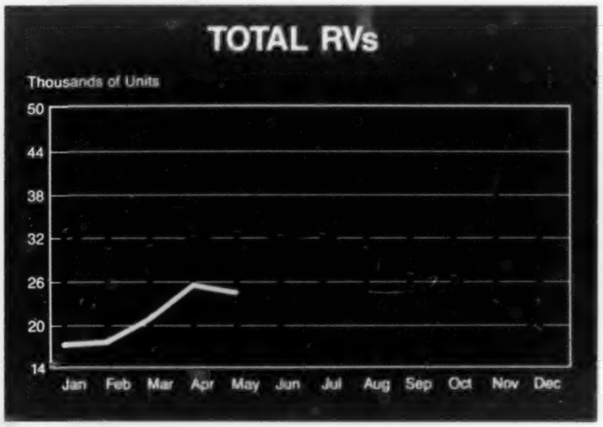

Figure 1

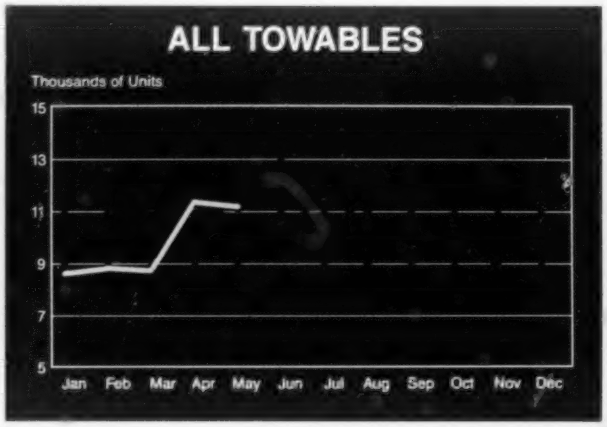

Figure 2

■ 1981-90 Shipments' Range
■ 1990 Monthly Shipments
□ 1991 Monthly Shipments

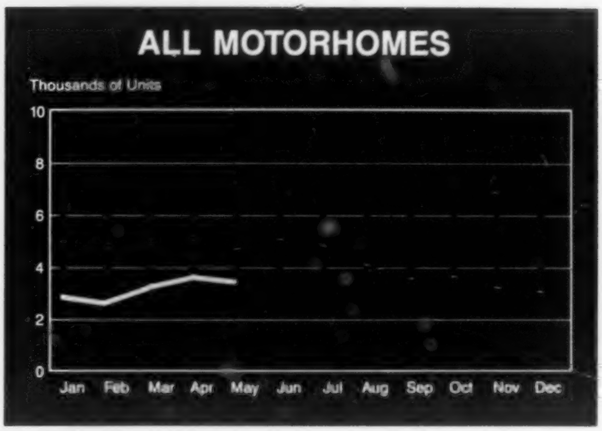

Figure 3

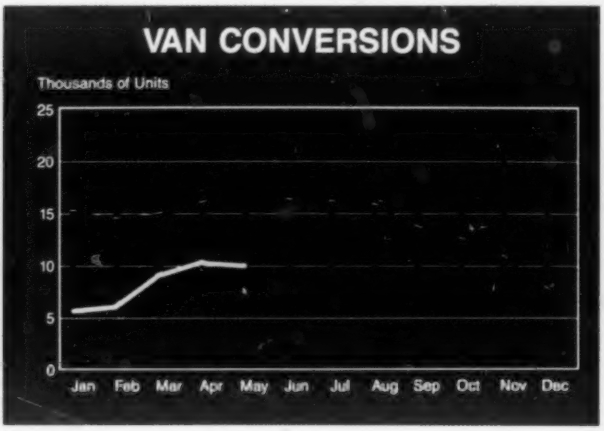

Figure 4

Early in life, we learn that appearances can be deceiving. Our parents fill our heads with warnings that "all that glistens is not gold." At the same time, we are encouraged by the repeated atmospheric observation that "every cloud has a silver lining." It is in this spirit that we need to read the May shipment data from RVIA.

When the raw data are adjusted for seasonal variations, total shipments are seen to have declined by almost 1,100 units from the previous month. *(See Figure 1.)*

The pessimistic observer would conclude that the upsurge of the previous few months was over. A more realistic view is that the upturn was still in motion since the magnitude of the decline was small and the increases of the two previous months had been substantial.

Figures 1 through 4 are all similar in this regard. In each case, May shipments were off from their April peaks but not nearly as low as the levels of March. Each figure also shows shipments well above the lows of earlier months. In addition, each major type of RV was running within the range of the past decade. Shipments were no longer below the 10-year range, as they were when the recession was in full force.

The Detailed View

Figure 5 tells a now-familiar story: The weakness in the market was primarily in motorized units. Travel trailers were up by 14% above April. Except for mini-motorhomes, other types of RVs fell in May compared with April shipment volumes. The negative signs are rampant in the lower section of Figure 5.

GRAPHICS: DIGITAL LIFE

With travel trailers up by nearly 1,000 units, the remainder of the industry had to fall by more than twice that amount to end up with an 1,100-unit decline.

Folding camping trailers, which declined by nearly 900 units (over 24%) from April, led the downward movement of the market. Given that folding camping trailers had risen by 1,440 units (66%) in the preceding month, this drop represented a leveling of shipments. A great surge is often followed by a dramatic slowdown, which actually is only a return to normal conditions. Truck campers provided another example of this tendency to moderation from extremes. After booming by 49% in April, these units were off by 29% in May. For both folding trailers and truck campers, May shipments were still ahead of March.

Of interest in Figure 5 is the fact that towables in May 1991 were stronger than in May of last year. The towables group was led by conventional travel trailers and folding camping units, which were running 8.7% ahead of the same month a year ago.

But, except for minimotorhomes, all motorized units were down from April 1991. At the same time, no type of motorized unit was running ahead of May 1990. Class A and Class C units were still 25% or more below the same month of last year. Class B motorhomes and van conversions were each 40% or more below May of '90.

These monthly numbers add up to the year-to-date account in Figure 6. As of May, each type of RV was still below its shipments level for the first five months of 1990. The entire industry was off by nearly one-third, a sum of more than 52,000 units. Van conversions accounted for 68% of that deficit and motorhomes for 16%, and there has been improvement every month. Hence, a 46% shortfall was relatively good news.

Good news holds, with one exception, for all types of recreational vehicles. The total RV shipments deficit had closed from nearly 47% in January to 33% in May. The worst case was low-profile Class C motorhomes, where the deficit was 71% for the year-to-date in May. The best performances were turned in by folding camping trailers and truck campers. Each of these had a deficit through the first five months of less than 10% compared with 1990. Folding camping trailers were just 2.2% behind their 1990 shipment pace.

The exception to the pattern of improvement was the experience of micro-minimotorhomes; in May, their year-to-date deficit of 41% was the highest seen thus far in '91 because the reported shipments, seasonally adjusted, for May 1991 equaled just 70 units, the lowest level in the past 13 years.

In sum, although May saw a lower growth rate of RV shipments, the decline was slight. Now we need to see if the volatility in the shipments, with sharp month-to-month increases and decreases, can be reduced. A roller coaster is exciting, but few of us want to work on one. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS—MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	May '91	Change from Apr. '91 Number	Change from Apr. '91 %	Change from May '90 Number	Change from May '90 %
TOTAL RVs	24,600	-1,090	-4.2	-8,060	-24.7
Travel Trailers:					
Conventional	4,680	760	19.2	370	8.7
Park Models	560	30	5.1	-100	-15.0
Fifth-wheels	2,430	170	7.7	-100	-3.9
All Travel Trailers	7,680	960	14.2	180	2.4
Folding Camping Trailers	2,740	-880	-24.2	220	8.7
Truck Campers	730	-300	-29.2	-150	-17.2
TOTAL TOWABLES	11,140	-220	-1.9	240	2.2
Motorhomes:					
Class A	1,950	-130	-6.0	-650	-25.1
Class B	320	-40	-10.5	-240	-42.5
Class C:					
Minis	1,110	190	20.1	-160	-12.4
Low-Profiles	0	-90	-100.0	0	0
Micro-minis	70	-140	-65.6	-230	-75.1
Class C Total	1,190	-40	-3.6	-380	-24.4
TOTAL MOTORHOMES	3,460	-210	-5.7	-1,270	-26.9
TOTAL TOWABLES & MOTORHOMES	14,600	-430	-2.8	-1,030	-6.6
Multiuse Van Conversions	10,000	-660	-6.2	-7,030	-41.3

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS—ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	106,720	159,150	-52,430	-32.9	100.00	100.00
Travel Trailers:						
Conventional	18,600	22,650	-4,050	-17.9	17.43	14.23
Park Models	2,480	3,060	-580	-19.0	2.32	1.92
Fifth-wheels	10,450	13,070	-2,620	-20.1	9.79	.21
All Travel Trailers	31,530	38,780	-7,250	-18.7	29.54	24.37
Folding Camping Trailers	13,570	13,880	-310	-2.2	12.72	8.72
Truck Campers	3,790	4,140	-350	-8.4	3.55	2.60
TOTAL TOWABLES	48,890	56,800	-7,910	-13.9	45.81	35.69
Motorhomes:						
Class A	8,750	13,840	-5,090	-36.8	8.20	8.70
Class B	1,650	2,550	-900	-35.2	1.55	1.60
Class C:						
Minis	4,490	6,330	-1,840	-29.1	4.20	3.98
Low-Profiles	90	300	-210	-70.7	0.08	0.19
Micro-minis	820	1,400	-580	-41.4	0.77	0.88
Class C Total	5,400	8,030	-2,630	-32.8	5.06	5.05
TOTAL MOTORHOMES	15,800	24,420	-8,620	-35.3	14.80	15.34
TOTAL TOWABLES & MOTORHOMES	64,690	81,220	-16,530	-20.4	60.62	51.03
Multiuse Van Conversions	42,030	77,930	-35,900	-46.1	39.38	48.97

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

RV BUSINESS

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SEPTEMBER 6, 1991

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7 RV Firms Foresee Gradual Sales Recovery

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11 GM Plans Reintroduction of 'GP' Chassis

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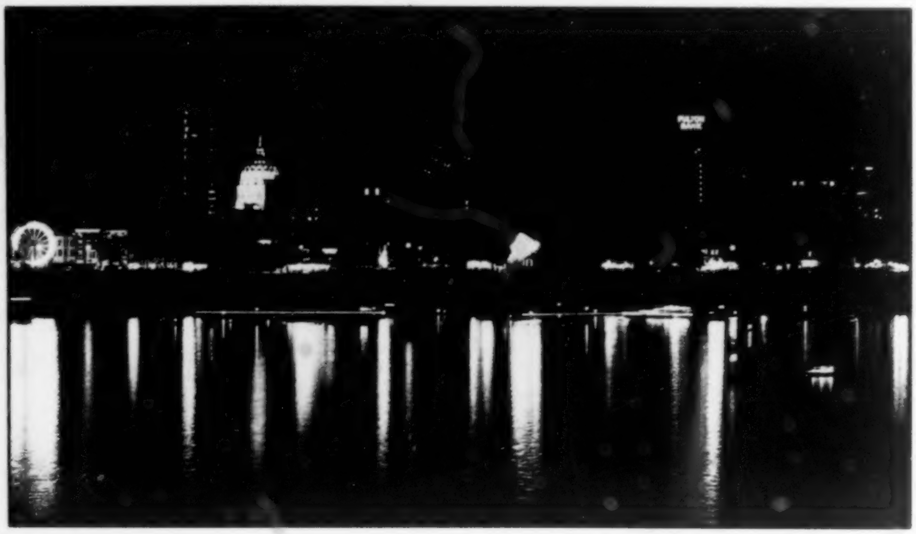

PRVCA RV EXPO: The Pennsylvania RV and Camping Association's RV Expo '92 in Harrisburg, Pa., kicks off the fall season with an exciting array of new products. See page 18.

RVIA Committee to Address Dealer Issues

In an effort to establish an ongoing forum for sometimes divisive manufacturer-dealer issues, RVIA's board of directors voted in June to add the Manufacturer Dealer Relations Committee to its roster of permanent standing committees. Working in concert with a slate of representatives from RVDA, the committee plans to address a number of longstanding concerns of RV manufacturers and dealers.

"I think the big news here is that we have finally established a means by which manufacturers and dealers can get together on a regular basis and work out mutual problems," said Mac Bryan, vice president of administration for RVIA. "There have been a lot of attempts to get the two groups together in the past, but this committee is really the first indication that RVIA and RVDA are going to do something about maintaining an open line of communication. There are many issues that the two groups have to discuss, and I think we will all see the committee tackling a full agenda of issues in the coming months."

Indeed, meetings of the group in Chicago and at the recent Midwest RV and Manufactured Housing Show in South Bend, Ind., yielded the following comprehensive list of items for further discussion.

continued on page 10

RVDA Begins Planning for Revamped Open House in '92

After RVIA's decision to turn over the reins of the National RV Open House Week to RVDA, the dealer association has moved swiftly to announce an aggressive campaign for a "New RVDA Open House" next spring.

"We are calling it the New RVDA Open House, with the emphasis on the 'new,' to make it clear that what we are doing is going to be a major change from what was done in the past," said Bob Strawn, RVDA executive director. "We think it is absolutely essential to get across the fact that we are making a fresh start with the entire program."

Jerry Greer, president of Jerry Greer Airstream Argosy, Columbus, Ohio, and current RVDA president, said that part of that fresh start would be to increase the number of days that the Open House encompasses in the future. He said the association's ultimate goal is a month-long program that will allow the dealers to take advantage of cooperative ventures with manufacturers, dealers, suppliers and campground owners.

A key element in RVDA's strategy will be to broaden participation to make the Open House more than just a "product-on-

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COVER PHOTO: CAPITAL REGION CHAMBER OF COMMERCE, HARRISBURG, PA.

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SECOND QUARTER STRUGGLED TO MATCH LAST YEAR'S PACE

GAYLORD MAXWELL

In the second quarter of 1991, our Dealer Advisory Board (DAB) ran nip-and-tuck with last year, which is sort of like racing for eighth place. Although there were definitely signs of a turnaround, there were just as many indications that business was headed in the opposite direction.

Sales volume for the DAB group as a whole was up very slightly over last year. However, fewer than half of the members of the board managed to equal last year in dollars taken in. In short, sales were still falling for many dealers in the April-June period.

In terms of total units sold, the second-quarter number approached the same period as 1990 but was still slightly off from last year's tally. New units fared a bit worse than used. On an optimistic note, sales of new motorhomes slipped into the plus column compared with last year's April-June period – the only type to achieve that distinction. However, three types of used units beat last year's unit-sales record during the second quarter. Many dealers reported more consumer interest in used and *inexpensive* new units than in higher-priced merchandise.

Another positive sign was the number of reports of good profits – both grosses and bottom lines. In fact, only one DAB member rated his grosses as poor, and only three said their bottom lines were very bad. Used units were particularly profitable, and back-ends did exceptionally well.

Inventories were reported to be in relatively good shape. Both new and used inventories were rated as average or low. Traffic was reported to be on the low side, as were new buyers.

Year-to-date figures indicated the struggle dealers were going through. Both sales volume and unit sales were down for 17 of our 21 members in the second quarter. Buyers were very, very price-conscious, and financing was a problem for many would-be buyers in debt up to the hilt.

In spite of this grim side to the second-quarter picture, we should note that all members of our DAB were still in business. They were coping – and some were doing very well.

Motorhomes

Many DAB members who stock this RV type were happier during the second quarter than they had been in some time. Actually, they were about evenly divided between those who were up in sales and those who were down (a 9-8 ratio), but the total was in the plus column for both new and used units – the first time that has happened in a long time. Class C's appeared to have made a comeback. Used sales were particularly good; they exceeded those of new units by 22%. Profits were generally rated in the good column.

Year-to-date sales of new motorized units were still lagging well behind those of last year, although new units were up somewhat in the second quarter. Still, the upswing during the second quarter offers some reason for optimism for the second half of the year.

Travel Trailers

After a fairly good start in the first quarter, travel trailer sales tumbled in the second. Twenty of our board members stock this type. Compared with last year's second quarter, seven were up in new-unit sales, 11 were down, and three said sales were the same. Used units were down even more than new. On the plus side, however, profits were rated good to excellent.

Year-to-date figures were much better than second-quarter figures for this type, thanks to a good first quarter in new-unit sales. (Used were about the same for both periods in 1990 and 1991.) It is difficult to figure out what is happening – sales rose sharply in the first quarter but turned steeply down in 1991's second quarter.

Truck Campers

Slide-ins suffered a drop in the second quarter, an even deeper dip than experienced by travel trailers. Nine DAB members stock new units, and, of these, six were down – including the three dealers who account for the majority of sales. Used units sold well, however.

Year-to-date, this type was running a bit behind last year in terms of new units but well ahead of the 1990 pace for used. Overall, it doesn't look like a good camper year, however.

Folding Camping Trailers

New-unit numbers were down for the second quarter although drastically improved from those for the first quarter. Of the 13 DAB members who stock this type of unit, eight were down, and five were up. Used sales declined considerably. Profit ratings were quite mixed – split between

	NEW UNITS						USED UNITS					
	SECOND QUARTER			YEAR-TO-DATE			SECOND QUARTER			YEAR-TO-DATE		
	1991	1990	% CHANGE	1991	1990	% CHANGE	1991	1990	% CHANGE	1991	1990	% CHANGE
MOTORHOMES	410	390	+ 5	675	776	-13	524	476	+10	929	878	+ 6
TRAVEL TRAILERS	387	473	-18	732	776	- 6	365	456	-20	610	756	-19
TRUCK CAMPERS	88	112	-21	127	178	-29	61	48	+27	101	91	+11
CAMPING TRAILERS	305	329	- 7	505	631	-20	111	127	-13	156	171	- 9
FIFTH-WHEELS	178	187	- 5	302	327	- 8	123	103	+19	209	204	+ 2

	SECOND QUARTER			YEAR-TO-DATE		
	1991	1990	% CHANGE	1991	1990	% CHANGE
SALES VOLUME	$48,247,000	$46,886,000	+3	$80,956,000	$88,223,000	-8
TOTAL UNIT SALES	2,552	2,701	-6	4,639	4,788	-3
NEW-UNIT SALES	1,368	1,491	-8	2,634	2,688	-2
USED-UNIT SALES	1,184	1,210	-2	2,005	2,100	-5

good and poor.

The second-quarter drop was slight compared with the first-quarter slide, but the result was that the year-to-date decline was considerable. The major fold-down dealers were quite varied in their degree of success or failure for the year-to-date. Some were up impressively, whereas others were having great difficulties. There's no explanation for it, either.

Fifth-wheels

The second-quarter drop wasn't much, but our DAB had a decrease in new-fiver sales during the period. That decline followed a drop in the first quarter. The 16 DAB members who stock this type were evenly divided between those who were up and those who were down. Most of the major players turned in performances that were fairly close to last year's numbers. Used sales were up substantially. Profit reports were divided about evenly between fair to excellent. Δ

> *Although there were definitely signs of a turnaround, there were just as many indications that business was headed in the opposite direction.*

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **David McMann,** Victor, N.Y.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Paul Skogebo,** Mesa, Ariz.; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

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SEPTEMBER 20, 1991

Is Market Expansion on The Retreat?

Does the RV industry still support a coordinated industrywide market-expansion program? Or, in tight economic times, has it lost its fervor for elaborate all-industry marketing campaigns?

It might look as if the industry is cutting back in terms of market expansion, a concept which gained popularity in 1985 and 1986. Gone is the high-profile fund-raising campaign through which monies were channeled to a variety of programs by RVIA. Special "advertorial" sections in *USA Today* and celebrity spokespersons for the industry have gone by the wayside, too. And, although RVDA plans to aggressively expand the National RV Open House promotion in 1992, participation in the 1991 open house – under RVIA sponsorship last spring – was a disappointment.

Market-expansion advocates, on the other hand, don't see any retreat. They view the current market-expansion strategy as a natural "shifting of gears" when business realities dictate a less-aggressive approach. They see market expansion maturing to become a "mainstream" RVIA budget item rather than a new concept promoted with lapel badges on the floor of the Louisville Show.

"I would say that the market-expansion program is going to still be very aggressive, but it will probably be somewhat lower profile (in 1992)," explained RVIA President David J. Humphreys. "As far as RVIA is concerned, I would say we are shifting from our commitment to National RV Open House

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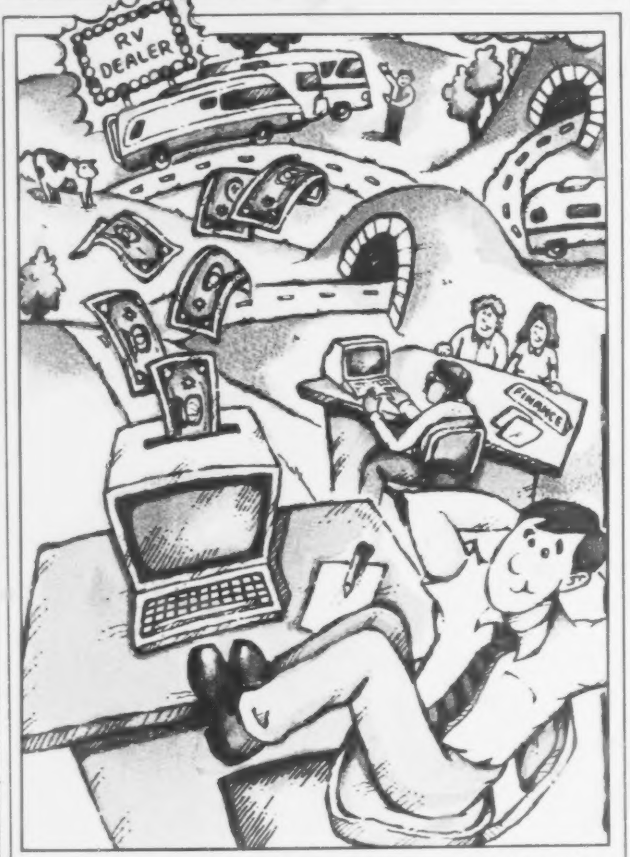

THE COMPUTERIZED MANAGER: RVDA's Convention/Expo features computerized management exhibits and seminars (see page 26). Dealers discuss software on page 35.

Industry Focuses on Highway Bill's Gas Tax, Scenic Byways Programs

Recreation leaders are urging the industry to take a stand in congressional debate on a $100 billion Highway Transportation Bill (HR 2950), which contains several provisions with a direct impact on the RV industry.

According to Jerome C. Loftus, general counsel for RVIA, the most critical element in the House version of the highway funding bill is a proposed 5-cent-a-gallon gas tax that comes on the heels of a 5-cent hike in the federal gas tax, which was implemented in last fall's budget bill.

Loftus said that RVIA is urging its membership to "voice strong opposition" to this new gas-tax hike because the estimated $6.8 billion in revenue that would result would be nullified by the House bill's provisions for "special demonstration projects" in some states – mainly California, New Jersey and Pennsylvania – which would have little national significance.

Putting it more bluntly, Derrick Crandall, president of the American Recreation Coalition (ARC), characterized the proj-

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7 Fleetwood Debuts '92 Product

8 Chevy Reins In '92 Pricing Of RV Chassis

8 Coachmen Offers New Catalinas, Royal Pusher

9 Mini Makers Face Chassis Shortage

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Once more strike-it-rich Las Vegas, Nev., hosts RVDA's annual convention/expo, featuring aftermarket exhibits and a full complement of educational seminars. This guide includes a complete calendar of events, exhibitor list and floorplans.

Top Quality Dealers 31

Sketches of the five finalists in the new Top Quality Dealer Program highlight the qualities that distinguish these outstanding retailers. All five will be honored at the RVDA Convention/Expo, where the No. 1 Top Quality Dealer of the Year will be announced.

The Computerized Manager 35

RV dealers detail how various computerized management systems have helped them save time and money in every aspect of their businesses—from accounting to parts inventory to point-of-purchase sales.

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COVER ILLUSTRATION: DOUG BOWLES

SHIPMENTS CONTINUE EXPANSIONARY PATH

MORTON J. MARCUS

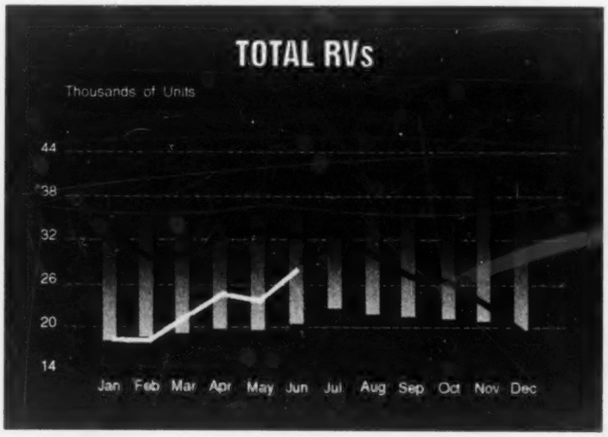


Figure 1

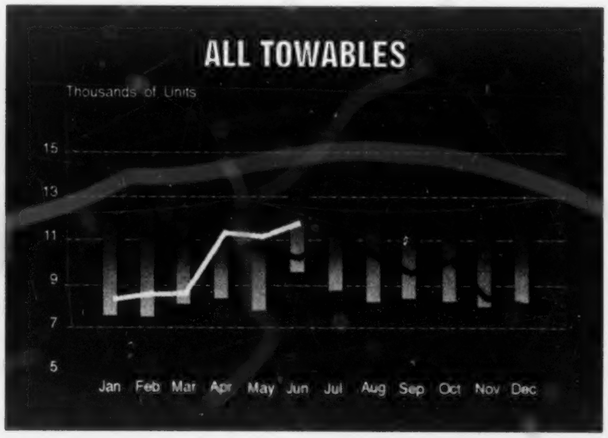


Figure 2

■ 1981-90 Shipment's Range
■ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

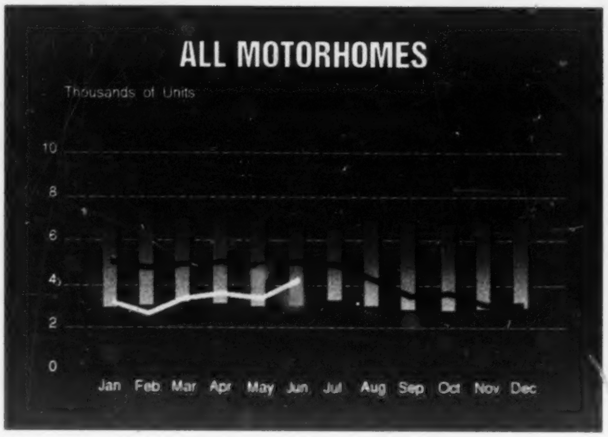


Figure 3

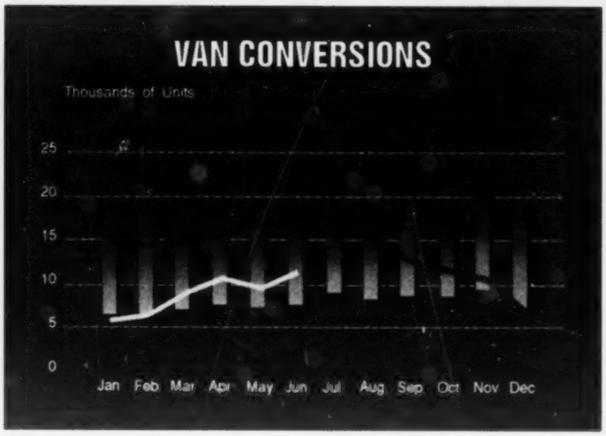


Figure 4

With the news from Moscow and other foreign capitals the focus of attention, George Bush seems to have little time for the domestic front. Well, neglect is often better than too much attention.

And at least, we can give Bush some encouragement at home. The latest shipment data from RVIA, when adjusted for normal seasonal patterns, scored another impressive gain. In June, total shipments exceeded 28,000 units. This was the highest level since last August, when Iraq invaded Kuwait.

Not only is the recession over for the RV industry, the recovery may be nearly complete as you read this. Whoa . . . I know that Nervous Ned is running to the telephone to call a friend saying, "I just read it in *RV Business:* The economic recovery is over. Didn't I tell you? Sell everything!"

Sorry, Ned. You got it wrong. First, we're talking about the RV industry, not the national economy. The two are related, but not identical. Second, the end of the recovery is not a signal of disaster. Only television newscasters believe that.

Business cycles usually have three distinct phases: recession, recovery and expansion. The recession is that period when economic activity is going down; in the recovery, activity increases and returns to its previous, pre-recession high. After that milepost is reached, the recovery is over, but the expansion, going on to new heights, can continue for years.

The June RV shipment data indicate that the recovery's end is not too far away. Figure 1 shows the low reached in January of 1991, when just 17,500 units were shipped, representing a decline of about 15,500 units from the preceding January.

With the recovery bringing us back to more than 28,000 units, total shipments recovered 12,500 units from the low. Two-thirds of the loss was wiped out. It is as if we went 100 miles out of our way and then returned to within 33 miles of where we were at the start. We are not back yet, but it is getting comfortably close.

Towables are the major sector closest to achieving a state of recovery. As Figure 2 indicates, towables, at 11,630 units shipped in June, were at their highest level in well over a year. After a loss of nearly 4,000 units from the peak in January of 1990 to the bottom a year later, the June figures represented a recovery of 73%. Other major sectors did not perform as well.

Figure 3 shows that the upward momentum of motorhome shipments resumed in June. However, this June's total was 1,000 units away from the monthly peak hit last June. Only 62% of the fall was regained.

The same story for van conversions, but with a weaker result, is found in Figure 4. Their upward direction was reaffirmed in June, but the recovery was only 55% complete. Monthly volume must rise by nearly 5,000 units before we can look to new heights for the economic expansion.

The Detailed View

Regular readers of this monthly report in RVB will notice that something is almost completely absent from Figure 5: the minus signs. We had fewer minus signs in June than seen in over a year.

June did have a decline in conventional travel trailers, but the other two losses, compared with a month earlier, equaled just 20 units each, which could be no more than a statistical bleep. When a comparison is made with the same month a year ago (the right-hand side of Figure 5), the number of negative signs have diminished sharply from earlier in 1991. Here the problem is clearly that van conversions had not recovered fully and were 4,200 units behind the month of June 1990. Add in that motorhomes were not performing as well as a year ago, and it is evident why the gains by towables were wiped out in the totals.

The disappearance of minus signs did not reach epidemic proportions in Figure 6. Only one RV type showed a cumulative figure in advance of 1991 year-to-date. Folding camping trailers, following a strong upsurge in June, moved out beyond where they were for the first six months of 1990. Other types of towables reduced their year-to-date deficits and were in range of reaching parity with a year ago.

The next milepost analysts will look forward to seeing the industry achieve is the elimination of the year-to-date deficits. In the case of towables, this is feasible and probable. For motorhomes, it is questionable. For van conversions, it is unlikely to be among the successes when the final story of 1991 is written. Δ

RV SHIPMENTS — MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Jun. '91	Change from May '91 Number	%	Change from Jun. '90 Number	%
TOTAL RVs	28,030	3,430	14.0	-4,110	-12.8
Travel Trailers:					
Conventional	4,390	-290	-6.3	10	0.2
Park Models	840	280	50.4	240	40.7
Fifth-wheels	2,530	90	3.9	290	12.8
All Travel Trailers	7,760	80	1.1	540	7.5
Folding Camping Trailers	3,150	410	15.1	680	27.7
Truck Campers	710	-20	-2.2	-160	-18.1
TOTAL TOWABLES	11,630	480	4.3	1,070	10.1
Motorhomes:					
Class A	2,190	250	12.7	-890	-28.8
Class B	300	-20	-6.9	-150	-33.4
Class C:					
Minis	1,470	360	32.1	300	25.7
Low-Profiles	0	0	63.4	-110	-100.0
Micro-minis	200	120	163.2	-90	-32.3
Class C Total	1,670	480	40.4	100	6.2
TOTAL MOTORHOMES	4,160	700	20.4	-940	-18.4
TOTAL TOWABLES & MOTORHOMES	15,790	1,190	8.1	130	0.8
Multiuse Van Conversions	12,250	2,250	22.5	-4,230	-25.7

Note: Data rounded to nearest 10 units.

Figure 5

RV SHIPMENTS — ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	1990	Difference Number	%	% Market Share 1991	1990
TOTAL RVs	134,750	191,290	-56,540	-29.6	100.00	100.00
Travel Trailers:						
Conventional	22,990	27,030	-4,040	-14.9	17.06	14.13
Park Models	3,320	3,660	-340	-9.2	2.47	1.91
Fifth-wheels	12,970	15,310	-2,340	-15.3	9.63	8.00
All Travel Trailers	39,290	46,000	-6,710	-14.6	29.16	24.05
Folding Camping Trailers	16,720	16,350	370	2.3	12.41	8.55
Truck Campers	4,500	5,010	-510	-10.1	3.34	2.62
TOTAL TOWABLES	60,520	67,360	-6,840	-10.2	44.91	35.21
Motorhomes:						
Class A	10,940	16,920	-5,980	-35.3	8.12	8.85
Class B	1,950	3,000	-1,050	-34.9	1.45	1.57
Class C:						
Minis	5,960	7,500	-1,540	-20.6	4.42	3.92
Low-Profiles	90	410	-320	-78.6	0.07	0.21
Micro-minis	1,020	1,690	-670	-39.8	0.75	0.88
Class C Total	7,060	9,600	-2,540	-26.4	5.24	5.02
TOTAL MOTORHOMES	19,960	29,520	-9,560	-32.4	14.81	15.43
TOTAL TOWABLES & MOTORHOMES	80,470	96,880	-16,410	-16.9	59.72	50.65
Multiuse Van Conversions	54,280	94,410	-40,130	-42.5	40.28	49.35

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6

MAY STILL TRAILS 1990, BUT SALES ARE IMPROVING

THOMAS WALWORTH

While RV-trailer sales year-to-date were down 14.3% as of May, when compared with sales in the same period of 1990, this nevertheless represented an improvement over April's 16.8% year-to-date deficit for RV-trailer sales. In the motorhome arena, year-to-date sales data in May were down 34% when compared to the first five months of 1990, but this was still better than April's 37.3% year-to-date shortfall.

Sales dropped by 1,174 units, or 8.8%, in the RV-trailer market in May 1991 compared with May 1990. This decline of 8.8% was, however, smaller than the 10.96% drop of April 1991 from the previous April. Listed in Figure 1 *(see page 22)* are seven national regions ranked by their percent of change in RV-trailer sales from May of 1990.

The West North Central region led the country, with Missouri showing the region's largest gain. The trailing Northeast region recorded the largest May loss in Vermont.

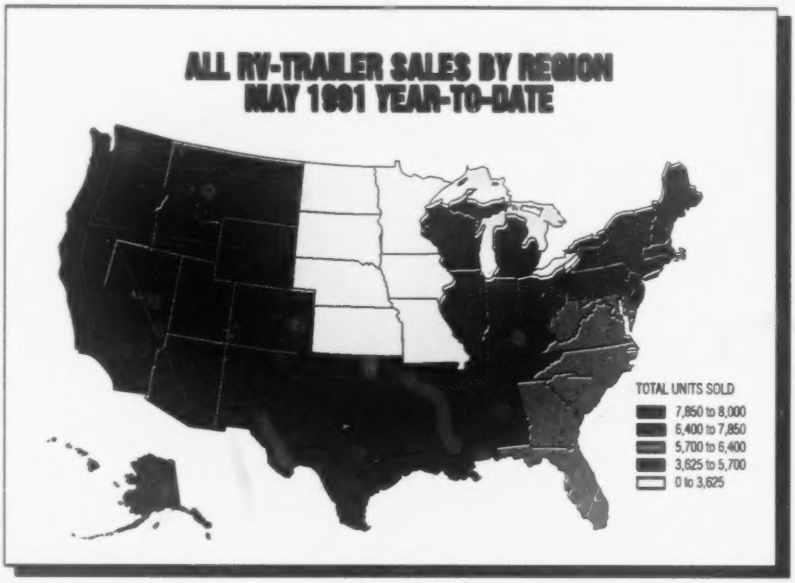
Year-to-date, RV-trailer numbers for the month revealed a market dip of 14.3%, which translated to a 6,967-unit drop. The nation's seven regions are ranked in Figure 2, based on their percent of change in sales from the same period of 1990.

Missouri led the West North Central region to the top of the chart, while the Northeast region recorded the lowest figures, with New Hampshire having the largest decline in that region.

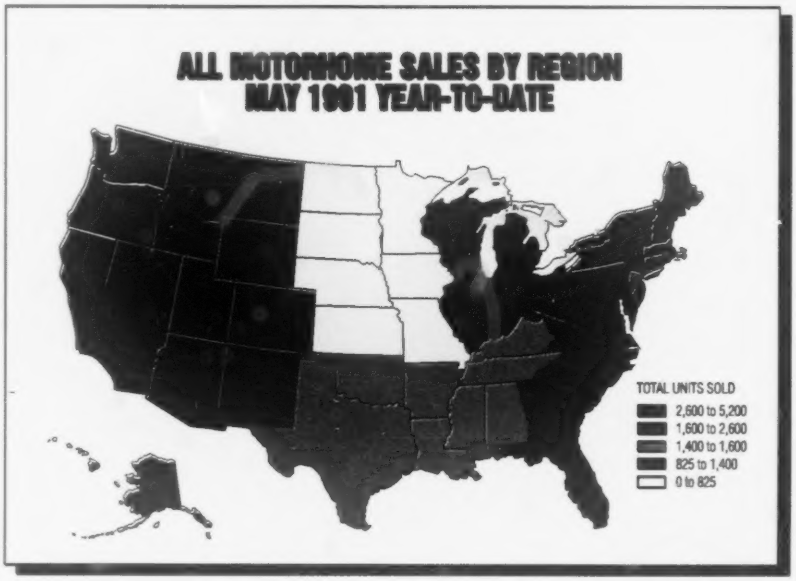
The motorhome market was down by 23.6% during the month of May 1991, moving 1,176 units less than in the same month of 1990. However, the monthly decline was better than the 33.1% deficit of April sales compared with 1990. Figure 3 ranks the seven national regions according to their percent of change in motorhome sales between May of 1990 and May 1991.

Ranked highest was the Pacific region, with California experiencing the largest gain. At the same time, the Northeast came in last, with New Jersey suffering the largest decline for May.

Year-to-date sales in the motorhome industry were down 34% in May 1991, which accounted for a 7,105-unit decline from



ALL RV-TRAILER SALES BY REGION
MAY 1991 YEAR-TO-DATE



ALL MOTORHOME SALES BY REGION
MAY 1991 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

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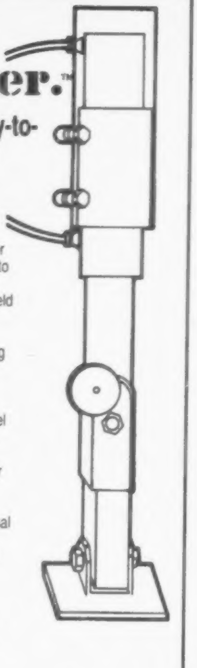

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AT RETAIL *continued*

1990. The nation's seven regions are listed in Figure 4 based on their year-to-date percent of change in motorhome sales from the same period of 1990.

The strongest performance, year-to-date, in motorhome sales was logged in the Pacific region, where California scored the greatest increase. The Northeast region again witnessed the largest drop, with New Jersey trailing the rest of the region.

This article delivers a bad-and-good news report. The bad news is that the RV-trailer and motorhome markets were still below last year's levels for both the month of May and year-to-date. This was tempered by the good news that the gap existing between the 1991 market and last year's market continued to narrow. ∆

RV TRAILERS, MAY '91

May '91 Rank	Region	% of Change From May '90	Apr. '91 Rank
1	W.N. Central	2.0	2
2	E.N. Central	−2.2	1
3	Pacific	−5.1	7
4	Mountain	−9.6	3
5	S. Atlantic	−13.7	5
6	S. Central	−15.5	4
7	Northeast	−15.9	6

Figure 1

RV TRAILERS, YEAR-TO-DATE

May '91 Rank	Region	% of Change Year-to-Date	Apr. '91 Rank
1	W.N. Central	−4.5	1
2	E.N. Central	−5.2	2
3	Mountain	−14.6	4
4	S. Atlantic	−15.5	3
5	Pacific	−16.4	6
6	S. Central	−16.7	5
7	Northeast	−23.3	7

Figure 2

MOTORHOMES, MAY '91

May '91 Rank	Region	% of Change From May '90	Apr. '91 Rank
1	Pacific	−9.5	2
2	S. Atlantic	−24.8	7
3	S. Central	−25.1	5
4	E.N. Central	−28.6	1
5	Mountain	−34.4	4
6	W.N. Central	−37.3	3
7	Northeast	−37.4	6

Figure 3

MOTORHOMES, YEAR-TO-DATE

May '91 Rank	Region	% of Change Year-to-Date	Apr. '91 Rank
1	Pacific	−26.1	2
2	W.N. Central	−29.7	1
3	E.N. Central	−33.2	3
4	Mountain	−34.8	4
5	S. Central	−36.4	5
6	S. Atlantic	−43.4	7
7	Northeast	−44.1	6

Figure 4

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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  a. Motorhomes and/or Mini Motorhomes
  b. Travel trailers or fifth wheelers
  c. Folding camping trailers
  d. Van conversions
  e. Truck campers
  f. Pick-up covers or caps
  g. Park models
  h. RV parts, supplies and accessories
  j. Service and repairs
  k. Rentals
  m. Truck/4wd and other vehicles
☐ B. Auto Dealer
☐ C. Manufacturer of:
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  b. Travel trailers or fifth wheelers
  c. Folding camping trailers
  d. Van conversions
  e. Truck campers
  f. Pick-up covers or caps
  g. Park models
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☐ E. Wholesaler/Distributor
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☐ G. Financial or insurance institution
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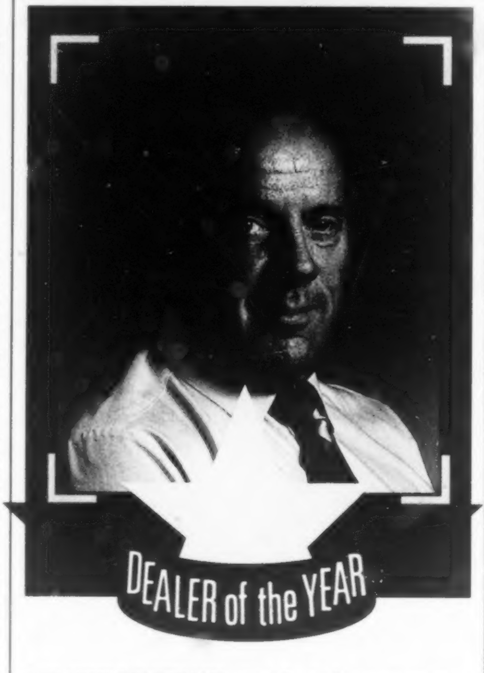
Fleetwood Stresses '92 Economy, New Quality Program



TOP QUALITY DEALER: Earl Stoltzfus was named the Top Quality Dealer of the Year. See page 20.

Fleetwood Enterprises Inc. increased its market share during the sluggish 1991 model year and is seeking further market inroads during the '92 economic recovery, Fleetwood officials told a total of some 800 dealers attending the firm's three regional dealer meetings.

At the meetings Aug. 25-31, in Las Vegas, Nev., Fleetwood's senior managers said the company is preparing to increase its dominance in the RV industry in the 1992-model year by introducing a host of new and upgraded products and an array of new quality programs that promise to alter the entire corporate "culture" of the Riverside, Calif., RV manufacturer.

A pivotal part of Fleetwood's 1992 game plan, however, is an improved economy. And Fleetwood officials do see improvement. "Fiscal year 1991 has been a very challenging period for our industry," Elden L. Smith, senior vice president for Fleetwood's RV Group, said in his address at the Las Vegas Hilton. "A recession has made business very difficult, particularly in the East and Midwest. We feel the most difficult period of this recession is past. In fact, our sales this quarter (beginning Aug. 1) are running 38% ahead of last year. The recovery is not going to be quick. The progress to more robust economic growth will be steady."

Reviewing the year, Smith outlined Fleetwood's market share positions and the fact that it now occupies 28% of the U.S. towable market and more than a third – actually 35.2% – of the motorized sector.

Perhaps the most consistent theme of Fleet-

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Price-Conscious Units Dominate Midwest Show

Efforts by the Indiana Manufactured Housing Association/Recreation Vehicle Indiana Council (IMHA/RVIC) to spur RV makers to exhibit more new-model RVs at the association's 37th Annual Midwest Manufactured Housing & RV Show in South Bend, Ind., appear to have been moderately successful.

There was a wide array of new 1992-model product on display at this year's Aug. 20-25 show, which had been moved by IMHA/RVIC to a later August timing than past shows in order to give RV makers more time to complete development of '92 equipment.

Once again, low-cost units targeted at entry-level and price-conscious buyers dominated the exhibition. The list of price-leader products ranged from a little $2,495 fold-out from A Frame Camper Co., Longview, Texas, to a 30- to 32-foot Monterey diesel pusher Class A from Cobra-Van American Inc. (CVA), Goshen, Ind., retailing for less than $60,000.

CVA, by the way, probably brought more new product to South Bend than any other exhibitor – at any price point. In addition to the Monterey pusher, CVA unveiled a $25,000 (retail) Daytona micro-minimotorhome on a Toyota chassis; a line of lightweight 21- to 27-foot Sunrise towables with aerodynamic front caps; and the first prototype of a higher-priced line of slick fiberglass-walled Voyager towables.

Also focusing on the mid- to high-price end was Jayco Inc., Middlebury, Ind., which brought its updated top-of-the-line Designer Series towables.

Meanwhile, Silver Eagle Coach Inc., Vina, Ala., displayed its revised front-gas and rear-diesel Silver Eagle Class A's. And Clarion Motors Corp., Elkhart, Ind., a Coachmen Industries Inc. company, rolled out leather packages – plus commercial versions – for its downsized, front-wheel-

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9 Dometic Explains New Policy on Distribution

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9 Thor Buys Bus Assets of National Coach

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Earl Stoltzfus of Stoltzfus RV's and Marine, West Chester, Pa., has been selected as the No. 1 Top Quality Dealer of the Year.

TRVA Supershow 23
This brief guide to the Texas Recreational Vehicle Association's Supershow '92, held Oct. 9-13 in the Market Hall in Dallas, includes an overview of events and a list of exhibitors.

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The RV industry should be pleased by the latest crop of tow vehicles from the Big Three automakers. Higher tow ratings, improved powertrains and increased safety are hallmarks of 1992-model units.

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Dealers and manufacturers stress the profits to be made in the expanding aftermarket for performance-enhancing products for RVs—such as turbochargers, gear splitters, fuel-injection systems, intercoolers and timing controls.

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RECOVERY WILL CONTINUE INTO 1992

MORTON J. MARCUS

In our forecast article three months ago, we asserted that the recession was over. But, because it had not ended as soon as we had expected, we had to do the ritual dance of the errant economist, whirling and twirling to explain why the recession lingered.

Now, we can say, "Yes, the recession is over, and the recovery is in progress." No dancing is required. The problem now is that the recovery is not robust, and the economic news is mixed. This recovery is advancing so slowly that many cannot see it; we may yet have to put on our dancing shoes.

However, our most recent forecast continues to indicate that the recovery is a reality; it may not be everything that everyone could want, but it will hold up through 1992.

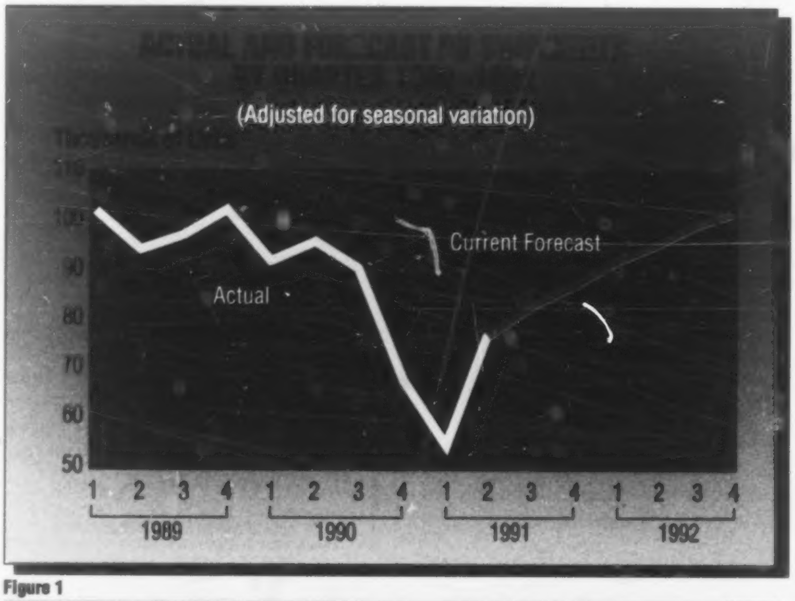

Figure 1

The RV Forecast

Before we examine the national economy, let's skip to the bottom line. How will the RV industry do in the balance of this year and into 1992?

First, note that the industry shipped 78,000 units in the second quarter of 1991. *(See Figure 1.)* This was a major breakout from the recession low of 56,400 shipments in the first quarter. (As usual, all data are seasonally adjusted.)

The steady improvement expected for the balance of 1991 and into 1992 looks impressive. But the reader should note that the improvement in Figure 1 is at a decreasing rate. The increases in shipments from quarter to quarter get smaller as we go through the forecast period.

Despite the recession, which dragged into the second quarter, we forecast an *up* year for towables in 1991. All three groups of towables in Figure 2 show positive growth in 1991 after a down year in 1990. The increases may be very minor, as in the case of travel trailers, but the direction is clearly upward. Folding camping trailers, which had the most severe downward movement in 1990, realize the greatest percentage increase in '91. As a group, total volume of towables for 1991 is expected to be up about 6,000 units. However, this will still leave towables nearly 2,000 units below 1989 levels.

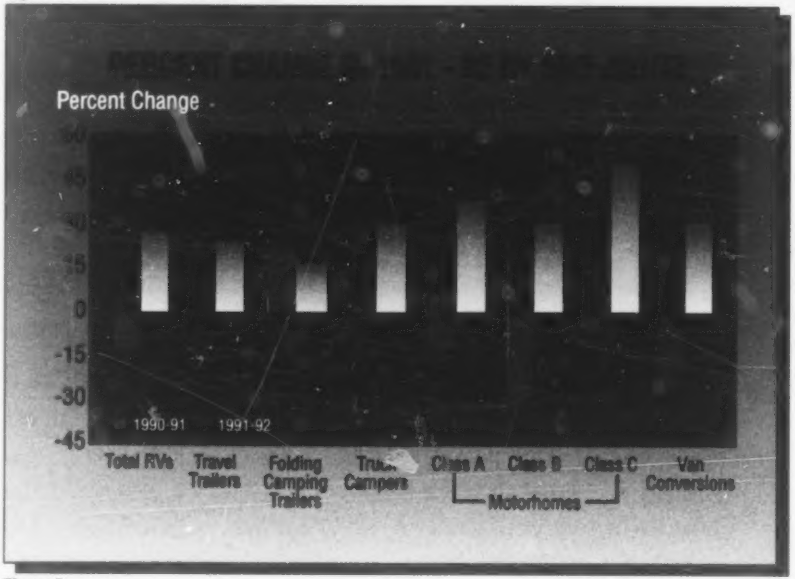

Figure 2

In contrast, motorized units will not overcome the downward momentum of the early months of 1991. Even though there was improvement in the second quarter, and there will be growth during the third and fourth quarters, none of the motorized types are forecast to top their 1990 shipments levels.

For 1991 as a whole, despite improvements during the year, van conversions are expected to be down by more than 50,000 units from the 1990 total. Motorhomes are forecast to lose 6,300 units in '91 compared with their 1990 level. As a group, motorized

RVs will end 1991 off by approximately 15,500 units from 1989.

The positive direction in the last half of 1991 should continue into 1992. As seen in Figure 2, all types of RV units have growth in shipments in '92. Total shipments should increase by more than 85,000 units from the levels of 1991. Travel trailers should add 28,000 units in 1992. Shipments of motorhomes are forecast to grow by more than 19,000 units. Van conversions are expected to add nearly 39,000 units. These impressive gains will bring all types of RVs to levels above their 1990 performances, with the exception of Class B motorhomes and van conversions.

The National Forecast

The recession, which began in mid-1990 and which we believe ended in the spring of 1991, was centered in the first quarter of this year. As a result, the entire year of 1990 showed a modest 1% gain in real gross national product (GNP), while 1991 will show a small three-tenths of 1% decline. These annual figures, shown in Figure 3, hide the upturn during the second half of 1991. The improvement does show clearly as a 2.2% increase in real GNP for 1992.

How does the economy advance in 1992? Figure 3 shows that the leading sector will be residential investment, which had been in strong decline during the preceding two years. Business investment and export activities also advance but not with any great strength. The growth of imports is consistent with the revival of the economy in general; as American consumers and businesses spend more, they will spend on imports as well as on domestic products.

The problems in the economy are due to the behavior of consumers and government. We do not make better progress because consumer spending fails to advance with any major strength, and government is a drag on the economy.

Consumer debt remains high, and consumer worries seem to be magnified (perhaps without foundation). Real spending (after adjustment for inflation) by the federal government is expected to decline. Washington's finances are a mess that will not improve in an election year. In addition, Washington is continuing to cut back on aid to state and local governments. These units cannot increase spending without new revenues, and they have no politically acceptable sources of new monies.

Interest rates will continue to ease, but only very slowly. The Federal Reserve, which has the dominating influence on interest rates, is concerned about inflation and the value of the dollar. As Figure 4 indicates, there will be more growth in the money supply in 1992 than in this year, as inflation becomes less of a concern and the dollar strengthens in world markets.

Unemployment rates typically continue to rise in the early stages of recovery. Although it may be "normal" in this stage of the business cycle, unemployment is a serious personal matter for millions, and it cannot be dismissed as a political issue. This factor will encourage the Fed to ease up on the money supply and allow interest rates to fall slowly.

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION

	1990	1991	1992
		– Forecast –	
Gross National Product	1.0	-0.3	2.2
Consumer Spending	0.9	0.4	2.4
Business Investment	1.8	-3.6	3.4
Residential Investment	-5.4	-12.3	8.0
Exports	6.4	3.8	4.1
Imports	2.8	0.9	7.7
Govt. Purchases			
Federal	2.6	0.5	-2.9
State & Local	3.0	0.6	0.5

Figure 3

> *Motor-fuel prices will not rise as rapidly as consumer prices in general, and the real disposable income of consumers will advance after the 1991 decline.*

KEY FACTORS IN THE FORECAST

	1990	1991	1992
		– Forecast –	
Prime Interest Rate (%)	10.0	8.5	7.9
Value of the Dollar (1973 = 100)	89.0	90.9	93.0
Unemployment Rate (%)	5.5	6.8	7.0
% Change at Annual Rates:			
Money Supply (M2)*	5.2	3.6	4.9
Real Disposable Personal Income	0.9	-0.7	2.0
Consumer Price Index	5.4	4.5	3.9
Food & Beverages	5.7	4.3	3.3
Motor-Fuel Prices	14.3	-0.4	1.9

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

ANNUAL TRENDS

	1990	1991	1992
		– Forecast –	
Unit Auto Sales (millions)	9.5	8.7	9.6
Unit Housing Starts (millions)	1.2	1.0	1.2
Personal Savings Rate (%)	4.6	3.6	3.4
% Change in Compensation per Manhours	3.5	4.2	4.7
Productivity	-0.4	1.2	1.7
Unit Labor Costs	3.9	3.0	3.0

(Compensation – Productivity = Unit Labor Costs)

Figure 5

For the RV industry, the good news is that motor-fuel prices will not rise as rapidly as consumer prices in general, and that the real disposable income of consumers will advance after the 1991 decline. These factors will also aid the auto industry. *(See Figure 5.)*

As consumers get back on their feet, they will reenter the housing market, pushing housing starts back to more respectable levels but cutting into the personal savings rate as they go into debt to finance their houses and the furnishings for those homes, as well as those new autos.

Among the most positive factors in this forecast is the low underlying rate of inflation. With high unemployment and recovery coming on line slowly, there will be little upward push in unit labor costs. Firms will enhance productivity, with only moderate increases in compensation per manhour.

Final Note

On balance, '92 looks like a nice year, although not a great year – a kinder and gentler year for George Bush to seek reelection. But the absence of a dynamic, growing economy and sustained high unemployment will give his opponents good ammunition, too. Without new foreign crises, it is possible that the campaign of '92 will focus on domestic issues. Policy on domestic issues, if faced directly and honestly, would be a welcome turn toward addressing long-term, neglected aspects of the American economy. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

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7 Fast-Expanding Tiara Motor Coach To Be Sold

8 Van Conversions Dominated by Few Key Companies

8 Former Komfort Owners Plan Market Re-entry

9 GM Restyles Sport Utilities, Adds Pickups

9 Chassis Suppliers Warn of '94 Safety Regulations

9 Clarion Attracts Foreign Interest At South Bend

10 DNA Offers Park Models

11 Transport Regs Cinched in Some States

11 G-30 Vans by GM Beefed Up For 1992

12 Civilian 'Hummer' Due in '92

RV EXPO '92: (clockwise, from left) Royals International Homestead fifth-wheel, Coachmen's Royal RD and the Legacy by Airstream.

Industry Talks OK Certification, Franchise Ideas

As a result of direct talks, representatives of RVIA and RVDA have agreed, at least in principal, on a model dealer-manufacturer agreement and on revival of an RVDA technician certification program that had been shelved when RVIA withdrew support of that project last summer.

A selected group of dealers and manufacturers meeting at last August's Midwest Manufactured Housing and RV Show in South Bend, Ind., described their talks as "very productive" and dismissed previously well-publicized reports of a major rift between dealers and manufacturers as simply "misunder-

continued on page 12

Harrisburg Show Attendance Higher, Sales Activity Good

The East Coast may have underperformed other U.S. regions in the past couple of years, economically speaking, but those attending the RV Expo '92 in Harrisburg, Pa., certainly couldn't see many signs of economic softness amid the bustling displays at the State Farm Show Complex in Harrisburg.

Public days' attendance was 19,444, up by 2,276 from last year, at the Pennsylvania Recreational Vehicle & Camping Association (PRVCA) 23rd Annual RV Expo, Sept. 9-15. The show, which measured about a half-million square feet in exhibit space, also drew about 500 RV dealers.

"I think the East Coast is starting to come back," PRVCA Vice President Becky Lennington told *RV Business*. "And, certainly, this show is an indication. Things are starting to open up here. Getting ready to go into the retail portion of our show, we had more interest in this show by the general media than I think we've ever had before."

Exhibitor Haddon Smith, general manager for Media Camping Center, Hatfield, Pa., said he experienced demand for both towable and motorized products across a broad price spectrum during public days. "I think things stabilized back in the spring, and we've actually seen things starting to kick back into the way it was (before the

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Chassis: New Energy in '92 26

With RV chassis makers predicting renewed vigor for chassis sales in 1992, look for increased competition in every area, higher prices for Class C's, and new products and players in the fast-growing diesel arena.

WDA Convention 32

Suppliers and distributors will get a chance for education and interaction at the Warehouse Distributors Association's Annual Executive Conference, Oct. 20-24 in Minneapolis, Minn. This overview provides a handy calendar of events.

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JUNE TRAILERS CONTINUE IMPROVEMENT; MOTORHOMES SLIP

THOMAS WALWORTH

TOTAL UNITS SOLD
10,200 to 11,000
8,200 to 10,200
7,200 to 8,200
5,000 to 7,200
0 to 5,000

TOTAL UNITS SOLD
3,000 to 6,500
2,200 to 3,000
1,700 to 2,200
1,100 to 1,700
0 to 1100

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

June saw the RV-trailer market continue to improve over previous months, although it lagged behind 1990 year-to-date by 12.7%. In contrast, motorhomes slid a bit in June, off by 34.9% for the year-to-date.

The RV-trailer market was down 8.17% in June, which represented a 1,125-unit decline for RV trailers compared with June of 1990. Breaking the nation into seven regions, sales data have been used to rank those regions based on the percent of change in RV-trailer sales from June 1990, as shown in Figure 1 *(see page 21).*

In the South Central region, which led the nation, Alabama logged the largest gain for June. The Northeast ranked last, with Maine registering the largest decline.

Year-to-date, the RV-trailer market was off 12.7% in June, which equated to a 7,954-unit decline compared with the first six months of 1990. Figure 2 ranks the nation's regions based on the percent of change in trailer sales from the same period of 1990.

The largest gain in sales in the top-ranked West North Central region was seen in North Dakota. The Northeast trailed, with the largest drop in New Hampshire.

Motorhome sales were off 39.1% in June, translating to a 2,067-unit decline compared with sales for the same month in 1990. Figure 3 ranks regions according to the percent of change in motorhome sales for this June compared with June 1990.

The leading South Central region had the largest gain for June, in Arkansas. The Northeast again fell to last place, and Maine had the region's largest decline.

Sales of motorhomes were down by 34.9% year-to-date, representing a 9,140-unit decline from the same six-month period last year. Based on the percent of change for the year-to-date through June, the nation's regions are ranked in Figure 4.

California, in the leading Pacific region, scored the best year-to-date, while the Northeast region ranked last, with its greatest decline recorded in New Jersey.

Perusing the Halfway Point

The last six months have been some of

RV TRAILERS, JUNE '91

June '91 Rank	Region	% of Change From June '90	May '91 Rank
1	S. Central	6.9	6
2	S. Atlantic	0.0	5
3	W.N. Central	−1.6	1
4	Mountain	−5.5	4
5	Pacific	−10.2	3
6	E.N. Central	−11.0	2
7	Northeast	−26.0	7

Figure 1

RV TRAILERS, YEAR-TO-DATE

June '91 Rank	Region	% of Change Year-to-Date	May '91 Rank
1	W.N. Central	−3.7	1
2	E.N. Central	−5.7	2
3	Mountain	−12.4	3
4	S. Central	−12.5	6
5	S. Atlantic	−12.6	4
6	Pacific	−15.0	5
7	Northeast	−23.8	7

Figure 2

MOTORHOMES, JUNE '91

June '91 Rank	Region	% of Change From June '90	May '91 Rank
1	S. Central	−30.2	3
2	Mountain	−31.9	5
3	E.N. Central	−34.2	4
4	W.N. Central	−35.6	6
5	Pacific	−38.2	1
6	S. Atlantic	−49.2	2
7	Northeast	−51.0	7

MOTORHOMES, YEAR-TO-DATE

June '91 Rank	Region	% of Change Year-to-Date	May '91 Rank
1	Pacific	−28.6	1
2	W.N. Central	−31.0	2
3	E.N. Central	−33.3	3
4	Mountain	−34.2	4
5	S. Central	−35.3	5
6	S. Atlantic	−44.4	6
7	Northeast	−45.2	7

Figure 4

the most unusual. Looking at the uncertainty caused by gas prices, unemployment and war, our market has taken a beating.

But the industry is in recovery. The RV-trailer market hit a low in February, falling 24.5% behind 1990 sales for the first two months. As of June, RV trailers were off by a much smaller 12.7% year-to-date. The motorhome market also hit its low in February at 42.9% below the 1990 sales volume, and it, too, improved by June, although lagging 34.9% behind the first six months of 1990.

In sum, the first six months of 1991 were not great, but, considering the year as a whole and the recent market improvement, it is clear that the worst is behind us for 1991. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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THE GAP NARROWS BETWEEN 1990 AND 1991

MORTON J. MARCUS

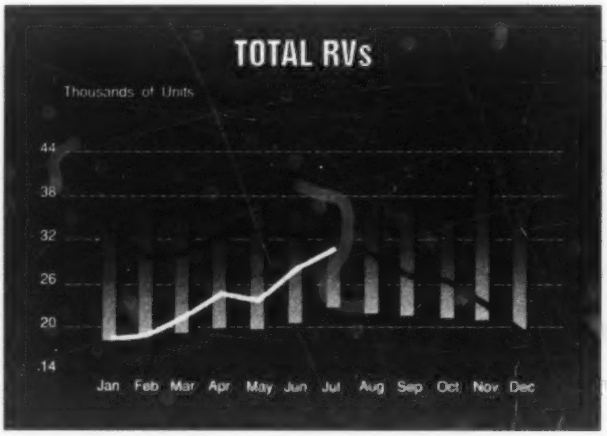

Figure 1

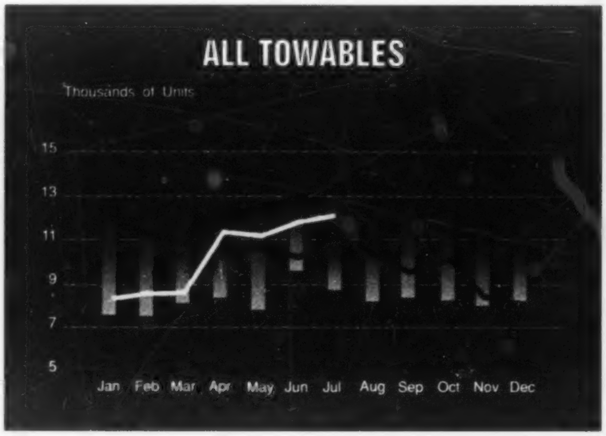

Figure 2

■ 1981-90 Shipment's Range
■ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

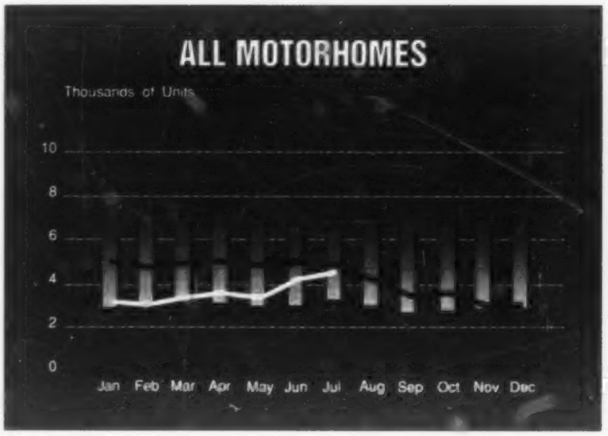

Figure 3

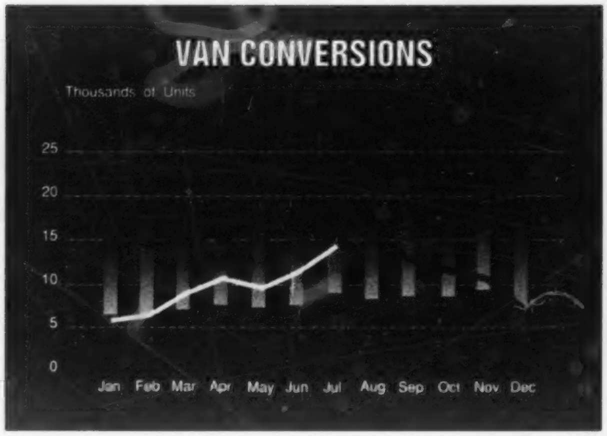

Figure 4

July of 1990 was the last month to pass before Saddam Hussein and political events in the Persian Gulf grabbed worldwide attention.

Places that had no idea the Cable News Network (CNN) existed now have that service regularly because of the Gulf War. America's knowledge of geography has been expanded, and a new set of phrases has come into our language, including "SCUD" as a potentially potent entity that, more often than not, will be a dud.

Are the RV Figures a SCUD?

Figure 1 presents the latest RVIA shipments data, adjusted for normal seasonal variations. RV shipments continued to rise impressively. At 31,270 in July, they stood 78% above the recession low of 17,520 in January. In addition, July shipments were at their highest level since the Gulf War began and just slightly below the level of July 1990. Many observers would conclude that a nearly complete recovery had taken place.

Towables *(see Figure 2)* were actually at their highest level since January 1990. At nearly 12,100 units in July, towables had not just continued their rise from a recession low, they had gone on into the expansion phase of the economic cycle.

If Mr. Greenspan of the Federal Reserve, or Mr. Bush at the White House, or the wise men in the Congress had been watching these numbers, they would have been trumpeting about how their policies produced such good results. Strange, I did not see any of them designing, building or selling towables, but let us be generous and share the credit with them.

The politicians might not be as happy to share responsibility when you are reading the data for motorhomes and van conversions in Figures 3 and 4. The numbers in these two areas were good but not as spectacular. Motorhomes had their best month in a year and were very close to the level of last July 1990.

Van conversions continued to rebound from their abysmal low of less than 6,000 units in January 1991, achieving a level in excess of 14,600 units in July. This was the best month for van conversions since August 1990. There was still a way to go before the July 1990 figure would be surpassed, but the gap was closing.

The Detailed View

Figure 5 gives us two valuable pieces of information. First, it shows how each type of RV did in July compared with June 1991. Then it reports how each performed compared with July 1990. These comparisons suggest that the data are even better than implied by the aggregate numbers of Figures 1 through 4.

First, disregard the small decreases of less than 50 units, which amount to declines of 1% or less. Much of that can be statistical noise from the process of seasonal adjustment. Now, only one type of RV failed to advance in July from June 1991. (Park models alone did not improve or hold even in July.) The broad advance must serve as an encouraging sign that July was no SCUD.

Second, only four types of units were still below their July 1990 levels. In the far right-hand column of Figure 5, the overwhelming majority of the numbers are positive. The main reason that the industry was still 1,400 units off the July 1990 pace was that van conversions had yet to get up to speed. The 1,700-unit shortfall in van conversions more than accounted for the industry's total deficit.

In Figure 6, we see that the industry was still nearly 58,000 units below 1990's pace for the first seven months. This is a 26% deficit. Van conversions accounted for 72% of that deficit. As of July, only folding camping trailers had exceeded the 1990 level through July.

But the gap between the year-to-date numbers for 1991 and 1990 was closing in July. How quickly? These were the figures reported in column 4 of Figure 6 in the preceding months of 1991: Total RVs were behind the 1990 year-to-date pace in January by 46.9%; in February by 44.4%; in March by 40.2%; in April by 35.1%; in May by 32.9%; in June by 29.6%; and in the month of July by 25.9%.

Clearly, the industry was pulling closer and closer to 1990's shipment levels. From there on, as the 1990 monthly figures deteriorate, the gap should close rapidly. There is still a long way to go; in number of units, the year-to-date gap was still nearly 58,000 in July, and that is no small amount to be made up in just the remaining five months.

Towables were closest to erasing their year-to-date deficit. They were still short by

continued on page 37

RV SHIPMENTS – MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Jul. '91	Change from Jun. '91 Number	Change from Jun. '91 %	Change from Jul. '90 Number	Change from Jul. '90 %
TOTAL RVs	**31,270**	**3,230**	**11.5**	**−1,370**	**−4.2**
Travel Trailers:					
Conventional	4,690	300	6.8	−280	−5.7
Park Models	720	−120	−14.5	120	20.3
Fifth-wheels	2,500	−30	−1.1	230	10.1
All Travel Trailers	7,910	150	1.9	70	0.9
Folding Camping Trailers	3,130	−20	−0.8	210	7.1
Truck Campers	1,050	340	47.1	320	43.6
TOTAL TOWABLES	**12,090**	**460**	**4.0**	**600**	**5.2**
Motorhomes:					
Class A	2,340	150	6.8	−220	−8.5
Class B	340	40	14.3	−230	−39.8
Class C:					
Minis	1,460	−10	−0.6	0	0.0
Low-Profiles	160	160	n/a	160	n/a
Micro-minis	250	50	27.4	0	0.0
Class C Total	1,870	210	12.5	160	9.6
TOTAL MOTORHOMES	**4,560**	**400**	**9.6**	**−280**	**−5.8**
TOTAL TOWABLES & MOTORHOMES	**16,650**	**860**	**5.5**	**320**	**1.9**
Multiuse Van Conversions	14,620	2,370	19.4	−1,690	−10.4

Note: Data rounded to nearest 10 units; n/a = not applicable.

Figure 5

RV SHIPMENTS – ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	**166,020**	**223,930**	**−57,910**	**−25.9**	**100.00**	**100.00**
Travel Trailers:						
Conventional	27,680	32,000	−4,320	−13.5	16.67	14.29
Park Models	4,040	4,260	−220	−5.0	2.44	1.90
Fifth-wheels	15,470	17,580	−2,110	−12.0	9.32	7.85
All Travel Trailers	47,200	53,840	−6,640	−12.3	28.43	24.04
Folding Camping Trailers	19,850	19,270	580	3.0	11.96	8.61
Truck Campers	5,550	5,740	−190	−3.3	3.34	2.56
TOTAL TOWABLES	**72,600**	**78,850**	**−6,250**	**−7.9**	**43.73**	**35.21**
Motorhomes:						
Class A	13,290	19,480	−6,190	−31.8	8.00	8.70
Class B	2,300	3,570	−1,270	−35.7	1.38	1.59
Class C:						
Minis	7,420	8,960	−1,540	−17.2	4.47	4.00
Low-Profiles	250	410	−160	−38.9	0.15	0.18
Micro-minis	1,270	1,940	−670	−34.7	0.76	0.87
Class C Total	8,940	11,310	−2,370	−21.0	5.38	5.05
TOTAL MOTORHOMES	**24,520**	**34,360**	**−9,840**	**−28.6**	**14.77**	**15.34**
TOTAL TOWABLES & MOTORHOMES	**97,120**	**113,210**	**−16,090**	**−14.2**	**58.50**	**50.56**
Multiuse Van Conversions	68,900	110,720	−41,820	−37.8	41.50	49.44

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6